UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL

GENERAL

UNESCO/SS/CONF.URB/1 [1]
E/CN.11/URB/1
28 June 1956

ORIGINAL : ENGLISH

UNITED NATIONS EDUCATIONAL,
SCIENTIFIC AND CULTURAL ORGANIZATION

JOINT UN/UNESCO SEMINAR ON URBANIZATION IN THE ECAFE REGION

Jointly sponsored by the United Nations Educational, Scientific and Cultural Organization, the United Nations Bureau of Social Affairs and the Secretariat of the United Nations Economic Commission for Asia and the Far East, in co-operation with the International Labour Office

8-18 August 1956
Bangkok, Thailand

PURPOSE AND SCOPE OF SEMINAR

The seminar is sponsored jointly by the United Nations and UNESCO, in co-operation with the ILO, and is intended to provide a forum for discussion between specialists and policy makers on problems of urbanization in the ECAFE region. Urban development is closely linked with economic development and particularly with industrialization, and properly conceived can be a major means of providing a more richly integrated and balanced economic and cultural framework for human life. But the rapid and unplanned migration which is taking place to many urban centres in Asia is creating important social problems.

The seminar will look upon the situation in the setting of the region of Asia and the Far East. It is not to be assumed that policies to deal with urban situations which have been developed in the Western world can necessarily provide models for the countries of the region, but this experience will be taken into account. The seminar will not be called upon to pass resolutions

/on policy

[1] Originally issued as an information paper (SU/INF/1)

on policy matters. Its aim will be to create an awareness in administrative as well as research circles in the region of the problem and also of the possibilities to cope with it.

Participation

1. Members governments in the ECAFE region will each be invited to provide for the participation of up to two specialists and member governments outside the ECAFE region will also each be invited to send a specialist. Government designees will attend in an expert status and not as representatives of their governments and will not be asked to commit their governments to policies;
2. Social scientists and other specialists sponsored by the UN, UNESCO, ILO and other Specialised Agencies;
3. Members of other agencies and non-governmental organisations, who will attend as observers.

Documentation

Documentation for the seminar will be provided by the participating international agencies and by specialists sponsored by them; the papers to be provided in this way are shown below after each agenda item. Documentation will also be provided by experts appointed by governments as they may see fit, and by observers.

Agenda

PART I

The present situation : its causes and effects

Item 1 Urbanisation in Asia and the Far East : the situation and trends : definition and clarification of the concept and problems of urbanisation

To be introduced by the general rapporteur. He will present a paper which, in addition to setting out the trends, will analyse the nature of population groupings from the village to the city level, and their

/relation with

relation with surrounding units and with rural areas. The paper will also set out the different categories of problems which arose in the process of urbanisation.

Documentation

Paper by general rapporteur sponsored by UNESCO

Report on demographic problems, by UN Population Branch

Processes and Problems of Industrialisation in Under-developed Countries - report by UN (Doc. E/2670)

Bibliography, to be prepared by the UNESCO South Asian Research Centre on the Social Implications of Industrialisation

Item 2 Economic causes and implications of urbanisation in the recent experience of countries of the ECAFE region

This item will be introduced by ECAFE, on the basis of a paper dealing with the contribution which economic factors as such have made to the trend toward urbanisation in the region, and with the various economic consequences that have resulted from this trend, or that are implied by the assumption of its continuation without conscious modification on a planned basis.

Documentation

Paper by ECAFE

Item 3 Human and social aspects of urbanisation in Asia

This item will deal with the social, institutional and cultural causes and effects of rapid urban growth. The effects of population movements from the villages to urban centres will be given special attention under the following sub-headings :

(a) Changes in traditional beliefs and practices resulting from the shift of village populations to urban centres; effects of migration on social cohesion, on traditional forms of self-help, self-government and institutional organisation;

/(b) Changes

(b) Changes in traditonal arts and crafts and forms of cultural enjoyment;

(c) Effects of urbanisation upon family life and the status of different family members;

(d) Problems of crime and juvenile deliquency;

(e) Problems of productivity, labour stability and the lack of diversified vocational training.

Items (a) and (b) will be introduced by specialists sponsored by UNESCO.

Item (c) and (d) will be introduced by specialists designated by the UN.

Item (e) will be introduced by an ILO specialist.

Documentation

(1) Item (a) : field studies made for UNESCO in Delhi, Bombay, Dacca, Bangkok and Djakarta.

(2) Papers by the UN on items (c) and (d).

(3) Paper by the ILO on item (e).

(4) Paper by UNESCO on item (b) containing a report on preliminary studies made in communities of South East Asia.

PART II

Policy Problems

Item 4 (1) Economic development policies in relation to types, scale and location of industries as a factor likely to influence future urbanisation trends.

A paper to be prepared by ECAFE dealing with existing and planned relations, in the ECAFE region, between cottage industries, small-scale industries and large-scale industries on the one hand, and villages, small towns and large towns on the other, and a discussion about the possibilities to

/influence

influence this development.

Documentation

Paper by ECAFE

(2) Sociological analysis of alternatives to over-rapid urbanisation.

Sociological problems of balance between urban and rural development. Sociological aspects of decentralization of industry versus concentration; decentralised industry in relation to local social structure; the appropriateness of different sizes of urban units in different societies and economies.

Documentation

Paper prepared for UNESCO by the Japanese Sociological Society.

(3) Policies for town and country planning

Discussion of criteria of sound policies for physical and administrative planning of towns and regions, e.g., the question of advisability of encouraging neighbourhood formation on linguistic, ethnic, religious or economic function; provision of cultural amenities, including cultural centres, etc.

Documentation

Document by UN Bureau of Social Affairs on Physical Planning Aspects of Urbanisation.

(4) Social, educational and labour policies

Discussion of alternatives facing policy-makers in these fields. Are social development policies adequately taking into account the problem of rapid urbanisation ? What are the outstanding needs ?

/Documentation

Documentation

List of points for discussion to be provided by the interested agencies.

Item 5 Round-up of Seminar's work

(1) To be introduced by general rapporteur, and to cover suggestions for further studies or special research, particularly research needed for throwing light on the prospective effect of different policies.

(2) Suggestions for specialised meetings, seminars, training courses, etc. on particular problems on the local, national or international level.

(3) Committees to be appointed as may be appropriate.

Organisation of Seminar's Work.

(1) A general rapporteur will co-ordinate the work of the seminar.

(2) He will be assisted by special rapporteurs for each agenda item.

(3) Working Parties will be formed on particular topics as may be necessary.

(4) The final report of the seminar to be submitted to ECAFE, the Social Commission of ECOSOC, and to UNESCO.

(5) This report together with the documentation for the seminar to be issued in due course by UNESCO as a publication.

(6) The Joint Secretaries of the seminar will be respectively Mr. Chi-Yuen Wu and Mr. H.M. Phillips, UNESCO, 19, Avenue Kléber, Paris, 16è. Communications regarding the seminar should be sent to Mr. Chi-Yuen-Wu at ECAFE Headquarters, Bangkok, with a copy to Mr. Phillips.

(7) A document will be circulated later indicating the names of participants and observers who will attend.

(8) The seminar will be held at ECAFE Headquarters, Sala Santitham, Bangkok, with facilities provided by ECAFE.

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL

GENERAL

UNESCO/SS/CONF.URB/2
E/CN.11/URB/2
28 June 1956

ORIGINAL : ENGLISH

UNITED NATIONS EDUCATIONAL,
SCIENTIFIC AND CULTURAL ORGANIZATION

JOINT UN/UNESCO SEMINAR ON URBANIZATION IN THE ECAFE REGION

Jointly sponsored by the United Nations Educational, Scientific and Cultural Organization, the United Nations Bureau of Social Affairs and the Secretariat of the United Nations Economic Commission for Asia and the Far East, in co-operation with the International Labour Office

8-18 August 1956
Bangkok, Thailand

ECONOMIC CAUSES AND IMPLICATIONS OF URBANIZATION IN THE RECENT EXPERIENCE OF COUNTRIES IN ASIA AND THE FAR EAST

Prepared by the ECAFE Secretariat

Contents

	Page
Summary	2
Concepts of Urbanization	4
Level and Growth of Urbanization in ECAFE Region in Relation to Level of Economic Development	7
Types and size of urban units and economic factors making for their growth	15
Economic implications of urbanization for occupational structure and mobility	20
Impact of urbanization on income, levels of living, savings and capital formation	26
Conclusions	34-41

Summary

Urbanization has multifarious aspects and accordingly there has been a multiplicity of definitions employed in demarcating urban from rural areas. These reveal in Asia as in other parts of the world essential demographic, economic and social phenomena which are closely associated with urbanism.

In all parts of the world there has been generally a close correlation between urbanization, however defined, and a non-agricultural pattern of occupations of the working force. In Asian countries statistics on urbanization indicate that if judged from comparable periods in the history of developed countries the level of urbanization has relatively speaking moved ahead of the level of industrialization, defined as a movement away from employment in agriculture. Both economic causes (the "push" from over-crowded countryside and to a lesser extent the "pull" from urban centres) and non-economic causes (recently, wars and civil disturbances, political partition and refugee movements) have been responsible for the relative over-urbanization of Asia. This relative over-urbanization is reflected in the considerable unemployment, and marginal self-employment (retail trading, domestic service and other low productive occupations) in urban areas. Among the countries of the region, Japan, South Korea and Malaya have exhibited a comparatively high level of urbanization. Japan's high level of urbanization has been historically associated with its rapid industrialization. South Korea combines a relatively high degree of urbanization with an occupational structure still highly geared to agriculture and the recent refugee movements have only accentuated the problem of over-urbanization. The foreign trade economy of Malaya has implied a high level of tertiary activity and a correspondingly high level of urbanization. China and India, which can be considered as moderately urbanized, have in the recent period undergone a rapid growth of urbanism owing to economic and non-economic factors. Both countries are in the process of establishing a more rational and controlled pattern of urbanization by giving emphasis to the development of rural areas on the one hand and to the redistribution of industries on the other. Burma and Ceylon fall under the group of countries which are comparatively less urbanized.

/The pattern

The pattern of urban growth in several countries of Asia has been marked generally by the excessive concentration of the urban population in the bigger agglomerations, which have come to exert a dominating influence in the economy of the country. The concentration can be explained, by and large, by the fact that the commercialization of the peasant economies of Asia has proceeded from a few port towns linking vast raw material producing hinterlands with external markets in industrial countries. At the other extreme are numerous small towns and large villages which in a densely populated agrarian society serve as trading and distributing centres for the main agricultural products for the surrounding countryside. More recently, with the implementation of national development programmes there has been a growth of medium-size towns in the interior based on the growth of industry and transport. The growth of such centres has not necessarily eclipsed the fortunes of the older and bigger centres. Economies accruing to industries through the existence of such facilities as transport and other public utilities, availabilities of skilled labour, technical, financial and managerial services have been responsible for the continued attraction of the big cities for both large and small industries. However, there is an indication that there is already an overstraining of these urban overhead facilities in big cities.

In Asia as well as in other parts of the world, urbanization has been marked by a changed pattern of occupational structure especially a relative preponderance of tertiary activities. The preponderance of service industries does not in the context of Asian economies represent the evolution of these economies from a secondary to a tertiary basis, but signifies the growth of marginal employment and low productive service industries, especially retail trading and domestic services. The character of industries that exist in urban and rural areas is varied. Processing and manufacture is as much a rural occupation as an urban one; cottage and handicraft industries predominate in rural areas, while virtually all factory industries are concentrated in urban areas. Service industries are clearly more of an urban occupation than a rural one, both absolutely and relatively. The working force of urban areas is predominantly composed of employees, i.e. salary and wage earners; in contrast to the situation in the urban areas of advanced

/countries,

countries, own account workers or independent workers claim a considerable proportion of urban working force in Asian countries. Urbanization has therefore important consequences to economic status and economic mobility but in Asia the extent of such mobility has been conditioned by the rate of growth of the economy, which so far has been rather limited.

Available data does not permit a detailed comparison, in real terms, of urban income levels with rural ones. Generally the level of money income is higher in urban areas than in rural areas, and within urban areas it is higher in cities than in towns. Urbanization is also observed to induce significant changes in the consumption pattern of its population, a pattern oriented towards less essential items and imported goods. The high cost of living, the relatively high dependency burden and the constant attraction exerted by a variety of consumption goods and services have all combined to produce a relatively high propensity to consume and consequently a lower propensity to save in urban as against rural areas. This is, however, partly compensated by a greater degree of monetization and a higher level of development of pecuniary habits and institutions in the urban areas. The implications of urbanization for capital formation may be sometimes burdensome, as the development of urban overhead facilities, such as public utilities, housing and communal facilities, requires enormous investments. In addition, there are the capital costs incurred in the transfer of labour from urban to rural areas; for the most part, these costs can properly be regarded more as costs of industrialization inducing urbanization rather than of urbanization as such.

Concepts of Urbanization

In its most simple and demographic sense, urbanization can be defined as a process whereby population tends to agglomerate in clusters of more than a certain designated size. This size itself may be set at several "significant" but, nonetheless, arbitrary levels. While size has not been the sole criterion for demarcation of urbanization, it has been the most widely accepted and the single most important criterion among several used. The minimum population

requirement for urban demarcation has varied from 5,000 persons in India to 3,500 in the United Kingdom, 2,500 in the United States, 2,000 in France, 2,000 in the People's Republic of China and 1,000 in the USSR.[1/2/]

Alongside with size, demographic density has been used to determine urban areas. Thus in India, in several provinces a density of not less than a specified level, say one thousand inhabitants to the square mile, has been laid down.[3/]

Besides size and density, legal and administrative, economic and social criteria, singly or in combination, are being used to identify urban areas. Behind such definitions is the isolation of specific functional characteristics of urban areas.

It is well known that many urban areas especially in pre-industrial countries served or have served at one stage or another administrative or military functions. Thus, in many countries the existence of an administrative office has been one of the important and convenient criteria for an area to be classified as urban. In mainland China, for instance, places where the people's committee above the hsien (county) or banner level is located are included in urban areas. Also in several countries, especially those with a colonial history, "urbanism" has been bestowed, in the sense that it meant recognition of a population settlement as constituting a unit for local-self government. In Ceylon, and in Malaya and British Borneo, among others, urban areas are those which are designated as such, either statutorily or by executive decree.[4/]

Then there is a concept of urbanization which essentially hinges on the economic character of the working force in urban areas. Areas with a major portion of their working force engaged in non-agricultural occupations would be designated as urban. Thus, in mainland China, according to the latest regulations on the subject, urban areas include places having a resident population of /2,000 or

---

1/ United Nations: Demographic Year Book, 1955, and Hsin Hua Monthly (in Chinese) (Peking), No.3, 1956, pp 7-8.

2/ Definitions used in distinguishing urban from rural areas are briefly indicated for several Asian countries in the footnote to table 1. /

3/ Census of India, 1951: Vol.I, India, Part I-A Report, p 45.

4/ As much as "urbanism" can be bestowed from above, it appears that it can also be "acquired" from below; thus, in Burma some normal-size villages are classified as urban, if the local populations regard them as urbanized! (Union of Burma; 1953 Census of Population, Series A, Towns, p vii.

of 2,000 or more, of which 50 per cent or more is non-agricultural; even places with a population of less than 2,000 but more than 1,000 are classified as urban if seventy-five per cent or more of the population is non-agricultural.[1] A similar requirement is laid down in the USSR[2] as well as in West Bengal in India.[3] Underlying such purely economic occupational criteria is the postulate that urbanization and industrial development (in the sense of growth of non-agricultural employment) are associated phenomena. In this context, it is interesting to note that several definitions go further than merely specifying the non-agricultural element of population in urban areas; they have gone in directions emphasizing certain economic functional characteristics of urban areas. Thus, definitions of urban areas employed in India as well as mainland China recognize places of special importance to trade, transport and distribution as coming under urban areas, irrespective of their not fulfilling the minimum requirement of population size.[4] This approach understandably lays stress on the service function of urban areas.[5]

Then there is a definition which emphasizes the social and cultural aspects of urbanism. In one province in India it is reported that the "fundamental criterion is the existence of urban features - which can be judged by the way in which the houses are situated and how they have been built and the availability of urban amenities (such as a bazaar where one could buy one's normal requirements throughout the year, facilities for education, recreation and medical treatment".[6]

Furthermore, there is the problem of classifying the suburban fringes, which have also started figuring in Asia, though generally for reasons other than those associated with formation of urban fringes in advanced countries. Lack of expanding opportunities in the countryside as well as security reasons are pushing

/more and

1/ Hsin Hua Monthly, op.cit., p 45.

2/ Ibid.

3/ Census of India, 1951, op.cit., p 45.

4/ Also in Burma some railway points, though smaller than large villages, are classified as urban. (Union of Burma: op.cit.)

5/ It is likely, as is happening in mainland China, that such areas may be increasing rapidly in the context of accelerated transport and industrial development. These areas (whose population exceeds 1,000) are classified in mainland China as urban type resident areas and also include places with colleges, universities, technical training and research institutions. (Hsin Hua Monthly, op.cit.).

6/ Census of India, 1951, op.cit., p 45.

more and more people to the cities and because of the acute shortage of accommodation in many towns shanty towns cluster around the town limits. These people press for their meagre livelihood on the towns.[1] Again the existence of the urban rural continuum in several parts of Asia, especially in the densely settled parts of China, India and Indonesia, and the hinterland relationship between the towns and the neighbouring countryside pose special problems in a strict demarcation of urban and rural areas. These problems more intimately concern cities than towns, since the former have a clearly "dominating" influence on the surrounding countryside. In recognition of this, in mainland China it appears that any suburban area near to a city and having close relationship, economic and cultural, with the city, would be considered as urban.[2]

The multiplicity of definitions[3] employed for rural-urban demarcation reveal, in Asia as in other parts of the world, essential demographic, economic and social phenomena which appear to be closely associated with urbanism.

Level and Growth of Urbanization in ECAFE Region in Relation to Level of Economic Development

Urbanization has been observed to be generally connected with industrialization, defined as a movement away from employment in agriculture.[4] This correlation holds good spatially as well as temporally in the case histories of practically all developed countries. Yet another feature of the past pattern of urbanization in advanced industrial countries is that the more highly urbanized a country becomes the more its population is concentrated in the bigger agglomerations.[5] Thus, in a sense, comparative levels

/of urbanization,

1/ Census Commissioners of both Malaya and British North Borneo, remark in their respective reports that there have been sizeable clottings around towns and their inclusion in the urban category would substantially raise the percentage of urban population (See Malaya: 1947 Census Report, p 4 and North Borneo: A Report on the Census of Population held in 1951, pp 49-51).

2/ Hsin Hua Monthly, op.cit.

3/ For a list of the main definitions employed in eleven countries of the region see footnote to table 1.

4/ Kingsley Davis and Hilda Hertz in "Urbanization and the Development of Pre-industrial Areas", Economic Development and Cultural Change, Vol.III, No.1, October 1954, p 8, observe: "As of 1950, the (Pearsonian) correlation between degree of industrialization and degree of urbanization, as measured by our indices, was 0.86 taking the countries and territories of the world as our limits."

5/ United Nations, Demographic Year Book, 1952, pp 10-12.

of urbanization, as measured, say, by the proportion of population living in cities of 100,000 or over, reflect comparative levels of industrial development. These observed tendencies appear to emphasize that, in the past at least, there has been a close interaction between the location pattern of industrial, commercial and service activity on the one hand and the distribution of population agglomerations on the other.

The historical growth patterns of urbanization in the relatively old industrial countries such as England, France, the United States and the latecomers in the field, such as Germany and Japan and later on the USSR, differ from one another. The former exhibited a slow but steady urbanization and industrial development whereas the other three achieved in comparatively shorter periods much higher levels of urbanization before achieving comparable levels of industrial development.

International comparison of absolute levels of urbanization as recorded in different national statistics is not possible, in view of the different definitions adopted. It is true that, for rough and ready purposes, such a comparison should not be ruled out as of no value, because of the essential similarity of the definitions employed and the close correlation of the different definitions. However, as has been mentioned earlier, such comparisons need not be insisted upon in view of the observed regularity of the pyramid of cities in different parts of the world. This regularity is found to prevail generally when the chosen size class is fairly big, say, about 100,000 or over.[1/] Table 1 presents such data for capital cities and cities with 100,000 or more inhabitants by country in the ECAFE region, arranged in descending order of number per 1,000 total population. If this measure is used as an index of urbanization it can be said that roughly one in twelve in Asia is a city-dweller as against one in eight in the world as a whole, approximately one in three in North America, and one in five in Europe (including USSR).[2/]

/Table 1

1/ See United Nations, Demographic Year Book, 1952: K. Davis and H. Hertz, op.cit., p 7.

2/ Ibid, p 8.

Table 1

Level of Urbanization of Countries in the ECAFE Region

Country	Year	Population of capitals and cities with 100,000 or more inhabitants, per 1,000 population	Per cent urban, as defined in respective national statistics a/ in total population
Hong Kong	1948	730	..
Singapore	1947	720	80.2
Brunei	1947	260	..
Japan	1947	256	37.5
South Korea	1949	150	19.6
North Korea	1940	80	..
Philippines	1948	75	24.1
Malaya, Federation of	1947	75	26.5
China (incl. Taiwan)	1949-50	70	13.3 b/
India	1951	70	17.3
Sarawak	1947	70	10.8
Ceylon	1946	55	15.4
Pakistan	1951	51	11.4
Thailand	1947	49	9.9 c/
Burma	1941	40	10.4
Nepal	1920	40	..
North Borneo	1951	35	13.4
Indochina, three States of	1936 and 1948	30	..
Indonesia	1930	30	..

Sources: United Nations: Economic Bulletin for Asia and the Far East, Vol.IV, No.1, May 1953, p.4 and Vol.V, No.1, May 1954, pp.60-61; United Nations, Demographic Year Book, 1952 and 1955.

a/ The concept and classification of "Urban" differs from country to country. Below is indicated very briefly the main definitions employed:

Ceylon: Municipalities, Urban Council areas and Local Board areas.

China, mainland (1953 census): An area having a resident population of 2,000 or more, of which 50 per cent or more is non-agricultural (Hsin Hua Monthly (in Chinese), op.cit.

India: Municipalities and towns, i.e., places of 5,000 or more inhabitants, possessing definite urban characteristics. Places with larger population which do not possess the urban characteristics are not treated as towns.

Japan: Municipalities (shi) most of which contain an agglomeration of 30,000 or more inhabitants.

South Korea: Incorporated cities of 40,000 or more inhabitants.

Malaya, Federation of: Towns and villages with 1,000 or more inhabitants.

North Borneo: Towns and villages possessing urban characteristics.

Philippines: Chartered cities and administrative centres of municipalities.

Sarawak: Municipal areas, i.e. the three main towns of Kuching, Sibu and Mori.

Singapore: Singapore municipality and villages with 1,000 or more inhabitants.

Thailand: Places inhabited by 2,500 persons or more.

(Source: United Nations, Demographic Year Book, 1955)

b/ The figure is for mainland China only and is calculated from Hsin Hua Monthly, No.3, 1956, and relates to the 1953 census year.

c/ For year 1931.

Such a degree of urbanization is associated in Asia with a degree of industrialization corresponding to 30 per cent of the labour force engaged in non-agricultural activities. At comparable periods of urbanization levels, the United States (1850's), France (1860's), Germany (1880's) and Canada (1890's) had roughly 55 per cent of their labour force engaged in non-agricultural occupations.[1/]

Thus Asia can be said to be comparatively over-urbanized in relation to its degree of economic development. The pace of urbanization has also been more rapid in the recent experience of countries in the ECAFE region when several factors such as war, civil disturbances, political partition and refugee movement have accentuated the problems of urbanization in the region. Again, till 1950-51 or later the per capita income levels of several countries in the ECAFE region had not yet attained pre-war standards. In this sense urbanization has gone out of step with levels of economic development and several observers have already posed the question as to whether some countries in Asia are not in fact over-urbanized. This symptom of over-urbanization is exhibited in the general lack of secondary and tertiary industries for a number of Asian cities and towns and the large volume of unemployment and marginal employment prevalent in urban areas. It gives a clue to one of the most important features of Asian rural-urban migration, namely the push of people from the countryside to the cities rather than the pull of industrial and other employment opportunities in urban areas. Thus the recent rapid rate of urbanization visible in Asian countries does not bespeak a corresponding growth of industry but a shift of people from low productive agricultural employment to yet another sector marked by low productivity employment, namely handicraft production, retail trading and domestic service in urban areas.[2/]

Japan, with a comparatively high level of industrialization among Asian countries, has exhibited increasing urbanization for several decades in the past. In 1921 its population classified as urban was only 18 per cent. In the inter-war period (1920-1940) Japan experienced a very rapid urbanization

/associated

1/ See United States Historical Statistics, 1789 to 1945, (Washington, D.C.); Colin Clark, Conditions of Economic Progress (Macmillan, 1951); T.O. Wilkinson: "The Pattern of Korean Urban Growth" in Rural Sociology, March 1954, K. Davis and Hilda Hertz, op.cit.

2/ Clapham's statement, that "urbanization is the best general test of industrialization" cannot be said to be strictly applicable to the present stage of economic development of Asian countries.

associated with an equally rapid industrialization. In the thirties (1930-1940) urban population increased at an extraordinary rate of 79 per cent,[1] while the labour force engaged in non-agricultural occupation increased by almost one half. The war and post-war reconstruction decade (1940-1950) brought down the rate of growth of urbanism to 14 per cent, while there is reason to believe that the population engaged in non-agricultural occupations probably declined even absolutely.[2] It should be noted that Japan, even in the period of its rapid industrialization and urbanization, could not absorb in its urban areas any more population than was caused by natural growth, with the result that Japanese farm population was maintained at a stationary level for a long time.[3]

In contrast to Japan, Korea (South) illustrates a case which combines a comparatively high degree of urbanization with an occupational distribution still highly geared to agriculture. As in several Asian countries Korean urban centres have been primarily administrative and distribution centres for an agricultural hinterland. Korean urbanization had been most rapid under Japanese occupation but Korean economic and industrial development began to be substantial only in the thirties; between 1930 and 1940 the labour force engaged in agriculture declined relatively and non-agricultural employment increased very substantially, though the percentage of total male workers engaged in agriculture still stood at about 72 in 1940.[4] The war and post-war period (1940-50) put a serious brake on Korean economic development, but there was a rapid growth of cities based on large influxes of refugees from the over-populated countryside. During this period the rate of growth of Korean urbanism almost doubled and subsequently the Korean war tremendously aggravated the problem. There is a serious imbalance

/between

1/ This rate appears to have been exceeded only by the USSR during the period 1926 to 1939, when its urban population more than doubled.

2/ Economic Bulletin for Asia and the Far East, op.cit., p.5; United Nations, Demographic Year Book, 1955; Colin Clark, op.cit., p.425.

3/ See paper by S. Nojiri, "The limitation of Internal Migration in Japan", World Population Conference, Rome, 1954.

4/ Harold F. Williamson & John A. Buttrick (ed): Economic Development - Principles and Patterns, 1954, pp.454-455.

between the degree of urbanization and the degree of Korean economic development; the relief function of cities had been stretched to a breaking point and it is highly unlikely that immediately ahead South Korea, even given a moderate growth of industrial development, will exhibit any higher rate of urbanization than at present.[1/]

Malaya, too, exhibits a comparatively high rate of urbanization coupled with an essentially primary pattern of industrial occupations. The proportion of the urban component of the population has steadily increased from 22.7 per cent in 1911 to 27.7 in 1921, 29.5 in 1931 and finally to 35.1 in 1947.[2/] This rather high and growing degree of urbanization is in no sense a reflection of any process of industrialization. The pattern of distribution of the working force by industry has just about remained the same between the census years of 1931 and 1947. At both dates primary industry (agriculture, forestry and fishing) absorbed about 55 per cent, secondary industry (including mining) between 11 and 12 per cent and tertiary industries, the remaining one-third.[3/] Rather, in a country like Malaya the level of urbanization appears to be closely associated with the tertiary pattern of its occupational structure. The creation of an export raw material economy, mainly of rubber and tin, with the help of immigrants, meant a growing number of people engaged in the transport, financing and handling of export products and, more important, a heavy dependence of the economy on essential imports whose distribution in turn absorbed the efforts of many in transport and retail trading services. In the case of Singapore the handling of a substantial "entrepot" trade meant the creation of a distribution centre for the surrounding region. Thus the cities in Malaya are mainly commercial, trading and distributing centres whose growth has been largely influenced by the varying fortunes of rubber and tin. More recently, in the post-war

/reconstruction phase,

1/ T.O. Wilkinson, "The Pattern of Korean Urban Growth", Rural Sociology, 1954, p.38.

2/ The inclusion of Singapore, which is primarily an international entrepot centre, exaggerates the degree of urbanization of Malaya.

3/ See Malaya, A report on the 1947 Census of Population (London, 1949).

reconstruction phase, in the emergency period as well as in the post-Korean war raw material boom, the push to the cities has continued unabated while the promise of secondary industrial development has not materialized much, with the result that Malaya urban areas are faced with the problems of acute unemployment, marginal self-employment, over-crowding and housing shortage.

A similar picture of urbanization running far ahead of other indices of economic development is revealed in the recent experience of China: Taiwan. Thus between 1937 and 1953, urban population appears to have nearly doubled and increased at a rate twice as fast as rural population.[1] Besides the high natural increase rate of the population, there has been since 1949 a very large influx of people from the mainland; the effect of these factors has been greatly accentuated by the lack of expanding opportunities in the crowded countryside and consequent migration to the cities.

Among the countries in the region which can be considered as moderately urbanized stand mainland China and India, the two most populous countries in the world. The economy in India, in terms of its occupational structure, has remained static for as long as half a century - the period for which such statistics, whatever their comparability or reliability, are available. In the past urbanization in India developed only slowly and in the thirties increased moderately. During the war and partition periods, it gained momentum and the census of 1951 revealed that one out of six of the population could be considered as urban.[2] Rural-urban migration is undoubtedly the most important kind of internal migration of India.[3] The volume of such rural-urban migration has been estimated at about 10 million, which equals nearly 28 per cent of the natural increase of rural population.[4]

/It is

1/ A.F. Raper et al: Urban and Industrial Taiwan - Crowded and Resourceful. (Foreign Operations Administration, Mutual Security Mission to China and National Taiwan University, Taipeh)

2/ Census of India, op.cit.

3/ Kingsley Davis states "... rural-urban migration constitutes something like 45 per cent of all migration between districts and an even greater share of all migration between provinces". (The Population of India and Pakistan, p.114).

4/ World Population Conference, Rome, 1954: V. Nath, op.cit.

It is difficult to foretell the future trend of urbanization in India. A projection based on the 41 per cent rate of growth experienced during the last decade (1941-51) would indicate that urban areas would draw unto themselves roughly half of the estimated addition to the working force in this decade. However, the Draft Second Five-Year Plan assumes a much lower growth rate - 33 per cent - for the period 1951-61, mainly because the rate of urbanization was unusually high in the last decade on account of war and partition and a smaller rate seems probable "in view of improvements in rural conditions and the emphasis given to the development of a decentralized sector in the economy".[1] Thus a more rational pattern of economic development is expected to correct the imbalance between the level of urbanization on the one hand and growth of the economy on the other.

In mainland China the 1953 census gave a total urban population of about 77 million or 13.3 per cent of the total population of 582.6 million.[2] In view of the lack of statistics, it is difficult to gauge the long-term growth trends of urbanization in mainland China. One estimate places mainland China's city population in 1940 at about 25 million[3] while according to the 1953 census the population of "large and medium" cities alone came to 44 million. Thus it is probable that mainland China's city population has almost doubled in the last thirteen years or so. With the establishment of more normal conditions since 1950, and the restoration and development of industry and commerce, permanent city dwellers in 1953 were estimated to have gone up by forty per cent. Industrial and mining centres have experienced very much larger percentage increases in population.[4] At the same time the continuing pressure of population from the countryside on the already over-crowded cities especially in the coastal areas has increased the non-productive population in big cities, calling for large-scale transfers to the countryside or to new industrial regions.[5]

/Ceylon

1/ India: Draft Second Five-Year Plan, op.cit., p.41.

2/ Hsin Hua Monthly, op.cit.

3/ Chen, Ta, "Factors of urban growth in China", Proceedings of the International Statistical Conference, 1947, Washington, D.C.

4/ Hsin Hua (New China News Agency) despatch from Peking, 2 November 1954.

5/ Kuang Ming Jih Pao, Peking, 29 December 1955.

Ceylon falls in the category of countries with comparatively low levels of urbanization; it has also exhibited a generally stationary trend of urbanization. The level of urbanization (as defined in Ceylon statistics) comes to 15 per cent and cities over 50,000 account for about 7 per cent of its total population. After the penetration and stabilization of a colonial export economy, the country appeared to have reached its limits for urbanization; in fact since 1931, natural increase rather than rural-urban migration seems to have been the most important factor in the growth of cities and urban areas. While between 1921 and 1931 the factor of natural increase accounted for only 10 per cent of the additions to Colombo's population, it became quite significant from 1931 to 1946, and later between 1946 and 1953 its contribution rose to more than 90 per cent. Similarly for all urban areas of Ceylon, growth of population due to rural-urban migration has been slight during the period 1946-1953.[1] As with urbanization, the occupational distribution of Ceylon's working force between agricultural and non-agricultural employment has remained about the same between 1946 and 1953.[2] In view of the importance given to agricultural colonization and development in the various development plans, it is unlikely that the level of either urbanization or non-agricultural employment will depart far from the existing pattern.

Burma, which is also comparatively less urbanized, has experienced, in the post-war period, an accelerated rate of urbanization, due partly to security reasons and partly to the economic pull exerted by urban areas where reconstruction and developmental activity has been heightened. It appears however that since 1953 the rate of rural-urban migration has slowed down.

Types and size of urban units and economic factors making for their growth

Reference has already been made to the fact that, in the more advanced stages of urbanization, concentration of populations in bigger agglomerations tends to be accentuated. In the wake of the growth of such agglomerations,

/a new

1/ United Nations Seminar on Population in Asia and the Far East, Bandung, 1955: National Statement of Ceylon.

2/ In both 1946 and 1953 agriculture accounted for about 52 per cent of the gainfully employed. It may be noted however that strictly speaking the data for the two years may not be comparable in view of the high proportion of the "unclassified" group in the 1953 census.

a new economic pattern based on a centralized and complex pattern of industrial specialization and differentiation emerges with vast hinterlands to support such large agglomerations. This movement of "metropolitanization" has also appeared in several countries of Asia. In fact the distribution of urban population by size of localities in Asia suggests a comparatively greater concentration in big agglomerations,[1] and to some extent in small towns, than in small and medium-size cities. The economic reasons for the emergence of such a pattern are fairly obvious. Commercialization of the peasant economies of Asia began with a few port towns linking vast raw-material producing hinterlands with external markets in industrial countries. Those port or commercial towns gradually drew to themselves whatever processing and servicing activities there were in their regions and in due course developed a differentiated pattern of exchange, distribution and even production of goods and services. Further industrial or commercial development in the country tended only to concentrate in such older agglomerations with the result that a few towns in a country dominated a good part of the national economies.[2] At the other extreme are numerous small and medium towns and large villages, which in a densely populated agrarian society serve as trading and distribution centres of the main agricultural products for the immediately surrounding tributary areas. In both large cities and small towns traditional handicraft manufacturing finds a prominent place.

In recent years in several Asian countries the population of bigger agglomerations has increased much faster than smaller areas. Thus in India cities have been growing very rapidly; between 1941-51 cities absorbed half the increase in urban population.[3] In 1951 the population contained

/in 73 cities

1/ While under-developed countries are predominantly rural in character, they have more people living in cities of 100,000 or over than the industrialized countries. (See Kingsley Davis and Hilda Hertz: op.cit.)

2/ Thus to take a rather extreme example, three-fourths of the industry of Ceylon are concentrated in the Colombo district, mainly in Colombo city. (See Ceylon Census of Industry, 1952) Colombo District has not merely the highest concentration of sales establishments (24 per cent of the total for Ceylon), but has also the highest values of sales (42 per cent) and, of course, highest sales per capita (Ceylon: Census of Merchandizing Services, 1952).

3/ United Nations, World Population Conference, Rome, 1954, Paper by V. Rath, op.cit.

in 73 cities accounted for more than forty per cent of the total urban population. Some of the cities have engulfed the surrounding area and formed huge 'conurbations'. Greater Calcutta, Greater Bombay, Madras, Delhi and Hyderabad contain about 11 million people or almost one half of the city population of India.[1/]

The rapid growth of cities is, of course, accounted for by the considerable volume of rural-urban drift to the big city. This is also indicated by the percentage of immigrants in the population of cities. One writer estimates that in pre-partition India, more than a third of the city population are born outside the city they reside in. In several cities the out-born ratio appears to be higher in the larger city.[2/] Of course, different cities show different rates of immigration[3/] based, for the most part, on their respective drawing power in economic terms.

In China, it appears from the available data that half of the urban population on the mainland is concentrated in large and medium cities, and cities over a million contain nearly one-third of the urban population.[4/] In Taiwan during 1937-53 two of its four largest cities more than doubled in size and the other two trebled. Population increases have been the greatest in the largest cities and generally the larger a city the greater has been its population gain.[5/] Both in Ceylon and Malaya there has been a less pronounced trend in the differential growth of urban areas by size.

/Different types

1/ Census of India, 1951, Part 1-A Report, p.47.

2/ Kingsley Davis: Population of India and Pakistan, op.cit., p.134.

3/ Thus, the per cent "out-born" in Bombay City averaged for the last eight decades around 70 per cent (See P.M. Prabhu: Bombay, A Study on the Social Effects of Urbanization (UNESCO Publication), p.54. Again, the Labour Investigation Committee of the Government of India states in its report (1946), "Using the term immigrant as signifying that the worker belonged to a district other than the one in which his place of employment was situated, it was found that in Delhi 81.71 per cent of the workers were immigrant, the percentage of such workers in Jabbulpore being almost 100. In Lahore, the percentage was 91.2, in Karachi 81.2 and in Tinsukia in Assam 93. Only in Dehri-on-Sone was it found that the percentage of the immigrant workers came to about one-third of the total" (Ibid, pp.69-71).

4/ Hsin Hua Monthly, op.cit., pp.7-8.

5/ A.F. Raper, et al: op.cit., pp.335-336.

Different types of cities have had different rates of growth. Thus, in the case of pre-partition India and Burma, it has been calculated that between 1901 and 1931 the population growth of industrial-commercial towns had been relatively more rapid than capitals and/or military stations, and religious centres.[1] In pre-partition India between 1921-1941, generally the more industrial a city became, the greater had been its rate of growth.[2] A more recent analysis running up to 1951 suggests that in India the most rapidly growing cities were mostly the industrial centres, capitals and non-capitals with important government offices.[3] [4]

To sum up, historically speaking the growth and economic character of urban areas in Asian countries can be conveniently treated in three well defined phases or stages. In the pre-industrial phase when subsistence agriculture predominated and means of transportation were fairly primitive, the number and size of urban areas in the interior were rather limited; several of these areas probably served as administrative, military or religious centres with hardly an economic base. Even at this stage there were probably a few large towns, especially at the confluence of rivers, which besides being marketing and distribution centres for the tributary area, contained considerable specialized but traditional handicraft manufacturing. With the development of international trade, cities began to grow on the sea coast. These gradually became focal points for the collection, storage, handling and distribution of exports and imports. Gradually processing of raw produce, collected from the hinterland,

/was added

1/ Economic Bulletin for Asia and the Far East, Vol.IV, No.I, p.7.

2/ Kingsley Davis: Population of India and Pakistan (Princeton) 1951, p.137.

3/ "Of the 13 cities with population increases of more than 300 per cent, 3 are capitals, 2 non-capitals with important government offices, and 3 industrial centres. Of the cities with population increases between 200 and 300 per cent, 5 are capitals, and 3 industrial centres": (V. Nath, op.cit.).

4/ Unfortunately statistics are not generally available for medium and small towns on a functional economic basis; it is quite likely that these, as in the case of several cities and metropolitan centres, have been growing out of administrative centres, district and state capitals (this was extremely important in the era of administrative consolidation) and railway junctions.

The more recent trends in industrial location consequent on implementation of national development programmes, in India and mainland China especially, are treated in another paper, submitted under item 4 of the agenda of this Seminar and entitled "Economic Development Policies in relation to types, scale and location of industries as a factor likely to influence future urbanization trends".

was added to the activities of these centres. Even in the interior, the gradual development of means of transportation widened the commercial potentialities of transport nodal points. This commercial phase of urbanization can be largely related, as far as Asia is concerned, to the colonial period. It is only recently that one can discern the beginnings of an active industrial development with potentialities for changing the whole conspectus of urbanization. New industrial and mining towns and other specialized single-function towns and cities are slowly making their appearance. In view of the still unhomogeneous and unintegrated character of Asian economies, urban areas with the characteristics of all the three phases - pre-industrial, commercial, and industrial - exist side by side. More often than not older urban centres have come to accumulate added activities based on the new functions. Thus trading, commercial, and transport centres have drawn unto themselves processing, then manufacturing and finally specialized servicing activities, thus experiencing an accelerated process, as well as a concentrated pattern, of urbanization. The rural-urban drift has been mainly to such big agglomerations.

Obviously the pattern of locational distribution of the various types of urban units tends to differ. Thus small commercial centres serving agricultural regions are fairly evenly spread out depending, of course, on the density of population. In fertile plains and river valleys and deltas the landscape is marked by small trading and commercial centres within perhaps 10-20 miles of one another. In the less populous "dry" areas distances from villages to marketing and trading centres are much greater.

Super-imposed on this basic agricultural stratum have been generally the large-size towns, located at transport nodal points or river and road junctions and of course more recently the railway junctions. These and the large port towns on the sea-coast can be termed as "break of bulk" points and serve essentially the function of trans-shipment and distribution of goods between land and water. These centres have also become convenient points of location for processing and light manufacturing industries. The evolution of towns and cities in Asian countries has by and large stopped short at this point.

/With the

With the development of technology and industrial enterprise, however, the active locational factors come to centre around raw material and power sources and/or labour and consumer markets.[1] It is at this stage that a separation occurs between agriculture and industry and within each group between sources of raw materials and markets or "break of bulk" points.[2] But the growth in technology especially in transportation would, logically speaking, undermine such clear-cut separation and possibly make for greater concentration of activities, whenever an optimum pattern of location can be struck in relation to transfer costs, power, labour and raw material requirements. The cumulative power of such urban agglomerations is accentuated also by the concentration of capital and of financial and technical service facilities in such areas.

In under-developed economies it is generally only in the large cities that suitable technical and economic environment is found for the location of industrial establishments, irrespective of their size. Thus both large-scale and small-scale industries tend to locate there to reap the advantages of what are called "urban economies". Even specialized handicraft manufacturing tends to take advantage of such "urban economies".[3]

Economic implications of urbanization for occupational structure and mobility

The chief characteristic distinguishing urban from rural areas is an occupational structure oriented to non-agricultural activities. Both manufacturing and, more so, service industries find a natural habitat in the cities and towns, and this is no less true of urban areas in Asia than in the developed parts of the world.

/This differential

1/ This movement was already becoming important in India in the thirties.

2/ In the USSR the evolution of the pattern of industrial location in the new regions "has generally been from mineral and power resources to heavy industry, and from heavy industry to transport facilities, the growth of towns and the founding of light industries which cater for the consumer". (Maurice Dobb: Soviet Economic Development Since 1917, pp.405-406).

3/ It is noticed that urban centres like Calcutta have a considerable body of small-scale enterprises.

This differential occupational pattern of the working force between rural and urban areas is illustrated in the case of India in table 2.

Table 2

India: Industry-wise distribution of self-supporting persons in rural and urban areas, 1951

	Rural		Urban	
	Million	%	Million	%
Primary industry a/	71.3	84	2.7	15
Secondary industry b/	4.8	6	4.4	24
Tertiary industry c/	9.1	10	11.1	61
Total	85.2	100	18.2	100

Source: Census of India, 1951, Paper No.3 (1953).

a/ Agriculture, forestry, fishing, stock-raising and mining and quarrying

b/ Processing and manufacture.

c/ Construction and utilities; commerce; transport, storage and communications; health, education and public administration; and personal and domestic services.

The overwhelming share of primary industry in rural areas and the preponderant share of tertiary (service) industry in urban areas is clearly indicated. In contrast to the situation in developed countries, urban areas in India have a sizeable agricultural population - more than one-seventh of the self-supporting persons depending on agriculture and other primary occupations. The high figure for secondary industry does not necessarily imply the development of modern factory manufacturing industries. Urban areas in India, as well as several other countries of Asia, have been traditionally centres for handicraft manufacture. Furthermore, urban areas seem to stand out for the predominantly service character (trade, transport, commerce, administrative, professional and personal services) of their occupational structure. More than manufacturing, service industries are typically carried on in areas where consuming population is concentrated; urban areas also provide such services to the surrounding countryside. However, the preponderance of service industries does not, in Asian economies, represent the evolution of these economies from a secondary to a tertiary industrial basis - a movement

/generally thought

generally thought of as constituting economic progress in the long run. Even the marginal employment provided by service industries - especially retail trading and personal services - has been an important factor in the migration of workers from over-crowded agriculture to urban centres.

When we look at absolute figures it is revealed that in India the self-supporting working force in secondary industry is almost evenly divided between urban and rural areas while so far as tertiary industry is concerned, workers in urban areas exceed those in rural areas.

While statistics of occupational distribution of working force broken down by rural and urban categories are not generally available for countries in the ECAFE region, the picture revealed in the Indian figures given above is believed to hold good for much of Asia. Thus in the Federation of Malaya, nearly 62 per cent of the gainfully employed population is engaged in primary industry and roughly 29 per cent in the tertiary group; in Singapore, on the other hand, nearly two-thirds are engaged in tertiary occupations while less than one-tenth is in agriculture. Manufacturing, repairing and construction account for less than one-tenth of the male working force in the Federation while it is one-fifth in Singapore.1/ Similarly, while for Ceylon as a whole, broadly speaking, one-tenth of the gainfully employed is engaged in secondary industry, in Colombo city nearly a sixth is so engaged; the respective proportions for those engaged in trade and commerce and transport appear to be the same, while for purely service occupations (domestic service, public service and professions etc.) the percentage for Colombo is nearly twice the percentage for Ceylon as a whole.2/ The urban-rural occupational differences are also illustrated in the case of China: Taiwan, where a recent survey of urban areas has revealed that while in the rural areas three-fifths of the employed persons are engaged in agriculture as compared with a fifth in the cities and towns surveyed, industry claims one-fifth of the urban working force but only one-tenth of the rural. On the other hand, service occupations engage

/almost

1/ Malaya: Report of the 1947 Population Census, op.cit.

2/ Ceylon, Department of Census and Statistics; Demographic Study of the City of Colombo, 1954; UN Seminar on Population (Bandung 1955): National statement of Ceylon.

almost one-third of the rural population while in the cities and towns, the ratio is as high as three-fifths.[1] In East Pakistan a similar disparity in occupational pattern between urban and rural areas is illustrated by the fact that whereas in East Bengal 85 per cent of the male workers is employed in agriculture, in Greater Dacca city nearly 90 per cent is employed in non-agricultural activities.[2]

In India, the self-supporting workers outside agriculture are almost equally divided between urban and rural areas. Thus urban population which constitutes only one sixth of the total population contains as many non-agriculturists as rural areas, with five-sixths of the total population. Disregarding primary industries, and mining, which are predominantly carried on in rural areas, it can be seen that processing and manufacture is as much, if not slightly more a rural occupation as an urban one. Cottage and handicraft industries predominate in rural areas, while probably virtually all factory industry is concentrated in urban areas. Service industries, on the other hand, are clearly more of an urban occupation than a rural one, both absolutely as well as relatively.

In the processing and manufacturing group, tobacco, textiles, wearing apparel (except foot-wear), virtually all the metal and chemical group of industries, cement, rubber, furniture and fixtures, paper and paper products and printing and allied industries are predominantly urban oriented.[3] On the other hand, processing and manufacture of grains and pulses, vegetable oil and dairy products and foot-wear, products of petroleum and coal, bricks, tiles and other structural clay products, non-metallic mineral products, and wood and wood products other than furniture and fixtures are predominantly rural oriented.

In the tertiary group of industries, except for construction and utilities as well as personal and domestic services, all the others are predominantly urban oriented. In the construction and utilities group the construction and maintenance of buildings and telegraph and telephone lines, as well as supply of electric power and gas, are urban oriented. In the purely service group,

/more urban than

1/ A.F. Raper: et al Urban and Industrial Taiwan, op.cit., pp.251-252.

2/ Census of Pakistan, 1951.

3/ In the sense that more than half the total self-supporting.

more urban than rural people are employed in domestic services, food catering, recreation services, legal and business services, arts, letters and journalism. In rural areas, on the other hand, correspondingly more people than in urban areas are employed in providing barber and laundry as well as religious, charitable and welfare services. The fields of commerce, transport, storage and communications, as well as health, education and public administration, are all urban oriented occupations.

With regard to occupational status, the working force of urban areas differs markedly from its pattern in rural areas, and within the urban areas themselves the city pattern is different in certain significant respects from the town pattern. In rural areas non-agricultural activities are carried on mainly by independent workers, while in urban areas employees outnumber all other groups. Urban areas contain both proportionately and absolutely more employees, i.e. salary and wage earners, than do rural areas. But even in urban areas self-employed persons (i.e. independent workers) account for a considerable proportion of the urban working force; this indicates the existence of a large number of "own-account" workers carrying on handicrafts, small retail business and other service activities.[1/] Thus in the field of processing and manufacture, independent workers exceed employees in the categories of leather products and foot-wear, wearing apparel and ready made textile goods, and in wood products other than furniture and fixtures. Commercial activities, especially retail trading, are by and large carried on by "independent workers". On the other hand workers in transport, storage and communication as well as, of course, in the health, education and public administration services come, for the most part, under the category of employees.

A particular aspect of urbanization has been its consequences to status and occupational mobility, a factor of special importance in the context of the rigid socio-economic patterns of agrarian Asia. The movement of labour from rural to urban areas is of course in itself an indication of some kind of mobility. Insofar as unskilled or semi-skilled occupations are concerned,

/mobility in

1/ In urban Taiwan, the largest single group appears to be the self-employed followed closely by labourers, each group accounting for almost a third of the total. It should be however noted that if the labourers and the salaried be included in "employees", the employee category may still appear as the most numerous. (A.F. Raper et al op.cit., p.245)

mobility in urban areas is essentially related to better earnings, opportunities and conditions of service and not, as in villages, to rigid tradition occupational and status patterns. But the extent to which mobility - whether horizontal or vertical - is increased by urbanization is itself conditioned by the rate of growth of the economy and it appears that in Asian countries such mobility can be observed markedly perhaps only in the few new and growing industrial and commercial centres. In the other and more prevailing types of urban units, where traditional distributive and handicraft or administrative occupations prevail, such mobility is seriously limited. Thus Poona City, India, which has been surveyed both in the pre-war (1937) and post-war (1954) years, exhibited for a long time a comparatively stationary character of occupational structure.[1] On the other hand, there are cities like Djakarta in Indonesia where marked changes have taken place in the post-war period. Under Dutch and Japanese occupation the proportion of unemployed, street vendors, domestic servants and those engaged in trade accounted for a considerable part of the labour force in the city. The slow but steady recovery in the post-war period and the growing industrial enterprises in the city have led to a more balanced pattern of occupation. Labour in industry and transport has increased considerably and now forms the largest group (44 per cent) in the total. Nearly two-thirds of the people whose present occupation is industry or transport were recruited from other occupations, chiefly agriculture.[2]

/Impact

1/ Even in Poona, whose growth is not based on industrial development, it appears that urbanization has brought about the transformation of unskilled manual workers into other types of skilled and highly skilled workers. (See Sovani and Pradhan: "Occupational Mobility in Poona", Indian Economic Review, August 1955, p.36).

2/ "Urbanization in Djakarta", Economics and Finance in Indonesia, November 1955, pp.707 and 713.

Impact of urbanization on income, levels of living, savings and capital formation

The preoccupation of the urban working force generally with the more productive non-agricultural activities in contrast with the subsistence pattern of agricultural production in rural areas naturally implies a relatively higher money level of income and expenditures in the urban areas.[1] It is of course mainly to this differential in incomes and consumption standards that one has to attribute whatever pull the urban areas exert in drawing rural workers into their fold. There is however only fragmentary statistical data on this question for countries in the ECAFE region.

Thus in India the average monthly consumption expenditure per person has been found to be one-third higher in towns than in villages; and in cities more than double the level of rural areas.[2] Again, remuneration for industrial labourers in towns is generally twice as high as that for rural agricultural labour.[3] In Bombay city, for instance, the average family monthly income is more than four times that of an agricultural labour family in the countryside. In Dacca, East Pakistan, industrial wages are generally double the level of agricultural wages.[4]

1/ Care should be taken however not to exaggerate the gaps in per capita income and consumption levels between rural and urban areas. Several factors are responsible for making the gap smaller than it appears. Part of the gap may be due to differential patterns of income distribution, though conclusive evidence on this point is not available for countries in the ECAFE region. In real terms, the generally higher price level prevailing in urban centres especially for housing accommodation should reduce the gap considerably; neither is it possible to evaluate the money equivalence of all the non-material satisfactions that are associated with residence in rural agreas. Furthermore, there is the question of differential stability of employment and earnings between rural and urban areas; but, in this case, the instability of primary (money) incomes contrasts with the relative stability of urban incomes, and with the growing strength and extension of trade unions to all major occupations in urban areas and the institution of arbitration or other machinery regarding wages, cost of living allowances and other conditions of employment, there is much greater chance of urban incomes being maintained and increased.

2/ Government of India, Ministry of Finance: National Sample Survey, Round Number 3, August-November, 1951, p.10. The figures are inclusive of values imputed to supplies obtained inkind, a factor of considerable importance in rural areas.

3/ Government of India, Ministry of Labour: Agricultural Labour, How They Work and Live (New Delhi, 1954), p.30.

4/ UNESCO: Dacca, Human and Social Impact of Technological Change in East Pakistan (1956), p.115.

/In Ceylon

In Ceylon a number of sample surveys have been conducted in the post-war years, though at different time periods and with different coverages.[1] It is possible to glean from these a few impressions regarding urban-rural differences in levels of living. Ceylon appears to be an exception to the general rule that urban levels of living are significantly higher than rural. Even between Colombo City and other urban centres differences in income levels are rather small; the average monthly income per working class earner in Colombo City is around Rs 94, while in the rest of urban Ceylon it is abour Rs 87.[2] Thus in Ceylon the observed recent reduction in the scale of urban-rural migration and the consequent slow and halting progress of urbanization may be partly attributed to the narrowing gap between rural and urban incomes. However, the fact that such migration still continues unabated emphasizes the lack of employment opportunities in the countryside.

In comparing urban and rural incomes it should be remembered that the dependency burden in urban areas is generally higher than in rural areas. Thus in India, though the self-supporting persons in the working force come to the same percentage - around thirty per cent - in both rural and urban areas, earning dependents are relatively twice as high in rural as in urban areas. The relatively high female participation in agricultural activities in rural areas accounts for this discrepancy. It has been calculated that whereas in rural areas there are on the average nearly one and a half dependents per earner, the figure is about two in the urban areas. Similarly, the dependency burden of city migrant workers,

/who leave

1/ Even the comprehensive Survey of Ceylon's Consumer Finances (May 1953) does not, however, provide data for rural and urban areas separately.

2/ Based on a sample survey of working class families conducted during 1949-50 (Ceylon, Department of Census and Statistics: Demographic Study of the City of Colombo (1954), p.44. It may be interesting to note that according to the Survey of Ceylon's Consumer Finances conducted in May 1953, the average monthly income per earner in Ceylon as a whole came to about Rs 108.

who leave some or all of their dependents in their villages, has been found to be high.[1] The implications of such a high dependency burden are bound to be unfavourable in the long run to worker incentive and productivity.

The analysis of consumer expenditures in several countries has generally revealed a pattern of urban consumer demand diverging from the rural pattern. By and large, such a difference could be probably attributed to the differential income levels between the urban and rural areas. But a part of it is certainly due to the different rural and urban milieus; thus, the varied and diversified socio-economic urban milieu is apt to bring about significant changes in the composition of consumer demand.[2]

The National Sample Survey in India has revealed interesting data on rural and urban consumption patterns. It is found that whereas nearly two-thirds of consumer expenditures went for food items in the villages, the figure is 55 per cent for towns and 46 per cent in cities. Clothing on the other hand accounted for nearly the same proportion in villages, towns and cities. Expenditure on milk and milk products, meat, egg and fish, fruits and refreshments in the food group and on amusements, education, conveyance, services, footwear, rent and taxes in the non-food group, has been found to rise - both absolutely and proportionately - from villages through towns to cities.[3]

/In accordance

1/ Thus in Bombay, a recent survey indicates that there are on the average eight dependents (some of whom may be earning dependents) for every respondent worker. (P. Prabhu, op.cit., pp. 60-70).

2/ In the programming of investment and the setting of individual consumer goods targets in a national plan due account should, therefore, be taken of rural-urban differences in the consumption demand pattern. In arriving at projections for consumption during the plan period, it has now become customary to calculate income elasticities of demand for various commodities for urban and rural areas separately; the projected overall pattern of consumer demand can be estimated after making due allowance for the projected growth of urbanism and for the urban-rural differential in demand pattern.

3/ National Sample Survey Round No.3. August-November 1951, op.cit., pp.10-12.

In accordance with our earlier findings, Ceylon does not however exhibit such decisive and pronounced differences in the consumption pattern of cities, towns and rural areas. The range of variation is small except in the case of housing and probably fuel and light. Special studies have been made in regard to consumption of milk and milk products, which seem to confirm the earlier conclusion that city consumption is not significantly greater than the rural. The import content of consumption has been however observed to be much higher in the big city, due to various technical factors[1] as well as to reasons having to do with consumer preferences. It may be added that the implications of such an import oriented consumption pattern in the big cities, in terms of foreign exchange costs involved, appear to be rather striking.[2]

Another aspect of urbanization is the modernization of urban consumption habits. The recent survey of urban Taiwan discloses that a considerable number of people have electric lights and running water, and sometimes even durable consumer goods like sewing machines and electric irons. This process of modernization has both favourable and unfavourable consequences. A minor point to note is that when once these conveniences enter into the household it is difficult to do without them and they impose a rather rigid attitude towards consumption standards. It has also been found out that certain new but nonetheless "wasteful" habits are acquired by the rural migrants living in urban areas. Thus it is stated, in a recent study of migrant workers in Bombay, that the expenditure on account of the new habits picked up in the city such as smoking,

/theatre,

1/ Under circumstances in which facilities for large-scale pasteurization or refrigeration are not available, the supply of certain perishable consumer goods to large cities has been found to be woefully inadequate, with the result that canned imported goods have found much favour.

2/ Thus Colombo city alone accounted for 40 per cent of Ceylon's imports of malted milk, 15 per cent of imports of infant foods and 33 per cent of import of milk powders. The proportions would of course be much higher for Greater Colombo (See Ceylon, Department of Census and Statistics: Survey of Milk Consumption in the City of Colombo, p.11).

theatre, cinema, tea drinking etc. accounts for a disproportionate share - about one-seventh - of working class budgets, though it should be admitted that "part of it must be useful in affording the necessary relaxation to the city worker".[1] A similar finding is reported from the Dacca city survey where, it appears, the diet of the factory worker is poorer than that of the agriculturist, especially with regard to protein-rich foods such as meat, fish and milk. There also appears to be a shift of expenditure from more essential to less essential foods; consumption of fruit and vegetables is probably reduced while the consumption of tea and tobacco shows a tendency to rise.[2]

In assessing the impact of urbanization on consumer income, expenditure and consequently saving propensities, it should be kept in mind that the relatively high dependency burden and the high cost of living in urban areas as well as the constant pressure exerted by the variety and "richness" of the urban consumption pattern have led to comparatively high levels of consumption expenditures and consequently a narrowing of the saving potential in urban areas. However, in the context of the poverty in urban economies of Asia, it is probably a misnomer to refer to saving potential when, actually speaking, urban working class budgets in several countries of Asia seem to be marked by as much relative indebtedness as the budgets of rural labour.

Thus the recent UNESCO study of migrant workers in Bombay City reveals that on the average the income of a worker's family falls short of its expenditure by about ten per cent.[3] In Ceylon, urban working class budgets

/reveal a much

1/ P. Prabhu, op.cit., p.102.

2/ Dacca: Human and Social Impact of Technological Change (A Study spondored by UNESCO, 1956).

3/ See P. Prabhu, op.cit., p.70. On the other hand, the average debt incurred per indebted agricultural labour family in the State of Bombay (1951) has been estimated by the Agricultural Labour Enquiry at Rs 106 per annum while the average family income of an agricultural labour family came to Rs 368.

reveal a much higher excess of family expenditure over family income. Both for Colombo City and for urban areas as a whole the ratio of average family expenditure to average income was about 122 per cent. The volume of indebtedness has been found to be much higher in Colombo than in other parts of Ceylon.1/

Similarly in Taiwan: China, a recent urban household survey revealed that 56 per cent of the households were indebted. Nearly two-thirds of the indebted households are from the self-employed group. Almost one-half of the indebted households stated that they had to borrow to meet their food expenditures, indicating the near-destitute conditions occurring in certain parts of urban Taiwan.2/ In Singapore, a recent social survey (1953-54) states that "Taking all social strata in the City Area, about whom we have information in the survey, about a fifth of household, containing a fourth of persons, live in poverty as defined in the survey.3/

In this connection mention could be made of a significant consequence of urbanization in several under-developed economies: the urban economy in contrast with the rural is characterized by a relatively high degree of monetization of economic activity.4/ The transition from rural subsistence agriculture to urban differentiated industrial specialization and exchange is thus followed by a spread of the money economy, a factor of considerable

/importance in

1/ See Demographic Study of the City of Colombo, op.cit., p.47. Statistics on pawn broking and money lending indicate a high concentration of indebtedness in Colombo, which accounts for more than one-half of the total volume of money lending and one-fourth of pawn broking advances in Ceylon. (See Ceylon, Department of Census and Statistics: Census of Financial Institutions, 1952).

2/ A.F. Raper, et al, op.cit., p.151.

3/ Colony of Singapore: Urban Incomes and Housing, A Report on the Social Survey of Singapore, 1953-54, p.160.

4/ In India, the National Sample Survey has revealed that almost nine-tenths of consumer expenditure in urban areas are in terms of cash as against less than sixty in rural areas. (Government of India, Ministry of Finance: National Sample Survey Round No. , August-November 1951, p.17)

importance in the economic development of a country.[1] Again the higher level of monetary and credit habits and institutions in urban areas can facilitate the mobilization of urban savings to a greater degree than of rural savings. These favourable effects on saving may however be counterbalanced to some extent by the perhaps lower propensity to save in urban areas.[2] As has been mentioned earlier, urban environment is peculiarly suited to the operation of what Nurkse has termed the demonstration effect. New and "superior" patterns of consumption - often based on imported goods - constantly strike the eye and the purse of the consumer, thus unfavourably affecting levels of voluntray personal saving.[3]

It is not intended in this paper to go into an extended discussion of the urban housing situation which is incredibly acute in practically all Asian countries. Attention can be drawn only to the enormous costs of urbanization on this score and the magnitude of investment that is required if the situation is to be relieved. Thus in India, apart from the quality of housing in urban areas, there has been a severe quantitative shortage of housing. In spite of an accelerated volume of expenditures on urban housing during the first Five-Year Plan, and the still higher urban housing targets proposed in the second Five-Year Plan period, it is stated that roughly speaking the shortage of urban housing in 1961 would be 5.3 million units, that is, twice as much as in 1951.[4]

/To make up

1/ It may be interesting to not that at least during the war and early post-war years of shortage of censumer goods there was some tendency towards demonetization. Urban workers wanted and were given supplies and rations of essential goods. This was at a time when war-time economic activity accelerated urbanization. In several Asian countries the tendency was then to go from cash to commodities. China, during the years of inflation, was an extreme case of flight from money into goods.

2/ That is, at the same levels of income, farm and rural families have been observed - empirically speaking - to save more than non-farm and urban families.

3/ This is obviously an interpretation of the "demonstration" effect in the national as against the international setting presented by Professor Nurkse. (See Ragnar Nurkse: Problems of Capital Formation in Under-developed Countries, Oxford, 1953, pp.63-67).

4/ India, Planning Commission: Draft Second Five-Year Plan (New Delhi, 1956), pp.158-159. The estimate takes account of the expected growth of urban population, i.e. 33 per cent, depreciation on existing houses at the rate of one per cent per annum and replacement of 11 per cent of existing houses.

To make up such an enormous shortage would require the investment of billions of rupees, which clearly is beyond the capacity of governments pressed for investment in directly productive projects. Even mere slum clearance would require a rate of expenditure far higher than is currently spent. The well known bustees of Calcutta (and of other overcrowded big cities) are aptly described even as early as 1868 as "a mass of huts constructed without any plan or arrangements, without roads, without drains, ill-ventilated and never cleaned, abodes of misery, vice and filth and nurseries of sickness and disease". In 1946, the Labour Investigation Committee of the Government of India could still remark "It is deplorable that no appreciable change has taken place in these bustees during the last three quarters of a century.[1]" A recent survey of Bombay housing[2] revealed that only about one-fourth of the buildings in Bombay is in a reasonably good condition while the rest are largely dilapidated and generally over 60 years old. In contrast, the existing rate of replacement has only been 1.5 per cent per annum. The acuteness of urban accommodation has reached such proportions in areas where rural-urban drift has been prominent, that a significant part of city populations sleep and live on pavements. Urban overcrowding is however not peculiar to India, nor to other parts of Asia[3], but is spread all over the world and has been engaging the attention of national and international organizations.[4]

Urbanization requires the creation of general economic and social infrastructure investments. Whether a city is large or small, the development of urban overheads does require real resources in terms of investment in public utilities - electric supply, water supply, sewerage and drainage facilities,

/transport and

1/ See Government of India: Labour Investigation Committee, Main Report, 1946, pp.302-303.

2/ In Bombay it is reported that tenements, on an average, house more than seven persons per room.

3/ In Singapore more than four-fifths of the households occupy one room or one cubicle or less (Colony of Singapore: Urban Incomes and Housing, 1953-54, p.68). A third of the houses in Colombo have only one room (Demographic Study of the City of Colombo, op.cit., p.41).

4/ United Nations: Preliminary World Social Situation (1952) and International Survey of Programmes of Social Development (1955).

transport and comunications - and in community facilities - sanitary units, schools, hospitals, facilities for recreation and amusement - and, perhaps most important of all, in housing accommodation for the huddled population. The financing of this urban overhead development exerts a tremendous drain on scarce capital resources of the community. While population growth in rural areas (as well as intra-rural population movement) does also involve, to some extent, the creation of similar facilities, both the sense of urgency and the sheer magnitude and concentration of costs is clearly different in the two cases.[1] Then again, one has to reckon with the costs of transfer of labour from rural to urban areas. At present these costs are borne by the migrants themselves, that is in effect by that section of the community which is probably not able to bear such costs. Apart from the heavy social and psychological costs involved in the separation of the able-bodies earners from their households, there are real economic costs involved. These include among others the costs of moving from urban to rural areas and from rural to urban occupations. It should be however stated that to a large extent those are costs not of urbanization as such, but of industrialization inducing the process of urbanization; these costs have to be incurred in any programme of development requiring redistribution of labour from existing areas.

Conclusions

Generally three factors have contributed to the growth of urbanization in the ECAFE region: natural growth of population, rural-urban migration and, in a few cases, immigration. Except perhaps in Ceylon and to some extent in Malaya, China: Taiwan and South Korea, rural-urban migration has undoubtedly accounted for an overwhelming share of urban growth in the region. Several economic and non-economic causes have contrived to make the volume of rural-urban migration rather high in the recent period. Of the latter, reference may be made to refugee movements due to wars and civil wars, and general insecurity in the countryside.

/The purely

1/ It bears emphasis to repeat that not all the costs of urban housing and other facilities can be considered as net additional capital burden cast on the community by urbanization. The real (human) costs of poor housing and lack of other facilities are as high in villages as in cities.

The purely economic factors themselves can be conveniently divided into two groups: those making for a push from the countryside and those exerting a pull from the cities.

The "push factor" itself has been operative for a long time in the history of several Asian economies. Under colonial and semi-colonial conditions the densely populated agrarian economies of Asia have remained stagnant for decades, if not centuries. In the absence of alternative occupations, pressure on land has been intensified and at existing levels of techniques, potentialities for agricultural expansion have been practically exhausted. Again, in the feudal and semi-feudal setting of Asia, the pressure on land was such that the power of landlords and money lenders had been greatly multiplied, resulting in oppressive agrarian conditions, which in itself became a good reason for migration to urban areas. Also, consequent on the penetration of cheap imports of manufactures from metropolitan countries, there has been a secular decline in traditional non-agricultural occupations, such as cottage and village industries, leading to considerable unemployment of artisans and handicraftsmen. The growth of indigenous factory manufacturing has only continued the process of impoverishment of these industries. Under these conditions large numbers of village people have been forced to fend for themselves and have naturally tended to swarm around the towns and cities, where at least some marginal employment, especially in retail trading and domestic services, could still be obtained. Thus in contrast to the situation in the earlier stages of industrialization of the developed countries of today, the volume of rural-urban migration is relatively high in countries of Asia[1/] and is not dictated by the avenues of industrial and other productive employment opportunities opened up in the urban areas.

An excessive volume of rural-urban migration and the consequent relative over-urbanization of several countries of Asia may not last for long; an overstraining and breakdown of the relief function of cities may bring it to a halt or, alternatively, accelerated economic development in both urban and

/rural areas

1/ Rural-urban migration can be considered high only with regard to the "carrying" capacity of urban areas but not in relation to agricultural and rural population.

rural areas may restore the equilibrium. In the transition, however, rural under-employment and distress is being replaced by urban unemployment, overcrowding and economic distress. Under such circumstances the role of cities in Asia can hardly be called dynamic, as economic historians of developed countries are wont to do. Several advantages inherent in urban growth have yet to be fully realized in Asian countries.

At various stages of their development urban areas have also exercised a certain pulling force at least upon the rural populations surrounding them. The penetration of the exchange and commercial economy has carried further the process of specialization; urban areas in the interstices of agricultural regions have come to offer limited opportunities of employment to wage earners. The concentration of processing and manufacturing activities in some of the bigger urban units has had a multiplier effect in drawing labour force from the countryside. On top of the primary employment offered by them, they have drawn secondary and tertiary layers of migrants and in view of the increase in, as well as concentration of, local purchasing power, several residentiary (consumer oriented) industries and service activities have become centered in such cities, thus adding to their cumulative growth.

Traditionally the essential motive for the transfer of labour from rural to urban areas has been the higher money wage rate in the cities as compared to the countryside. The higher level of wages is partly illusory to the extent that cost of living is higher, and security of employment probably lower, in towns than in rural areas. As far as can be judged from the limited data available for Asian countries, this wage factor seems to be especially important in countries embarking on ambitious industrial development programmes.

Apart from wage earners, several other strata of rural population are attracted by the "superior" consumption standards prevailing in the cities. This factor is obviously operative in the case of a very limited

number of people such as rural gentry, feudal landowners and absentee landlords. Also - where educational and training institutions exist in towns - they draw a student and apprentice population.

The primary "function" of rural-urban migration has been the supply of labour to urban industries. In Asia, though such migration has not been due to an active pull from urban areas, growth of urbanization as such provides a potential socio-economic setting for the future growth of industrial development. Again, to the extent that urbanization has been economically warranted, to that extent it has facilitated occupational specialization and mobility, widened the scope of production and exchange between rural and urban areas, generally led to a raising of income and levels of living, and relieved the population pressure in overcrowded rural areas.

Urbanization may also have had a stimulating effect on agricultural production. Directly, it has led to a more diversified pattern of agriculture in the area around the cities fruits, vegetables, etc. Indirectly it has emphasized the need for increased agricultural production, if the growing population in cities is to be adequately fed, and if the growing industries in towns are to be supplied with raw materials.

Nascent industry in under-developed countries has benefited greatly from the concentration of purchasing power in cities, from the ready markets and the broadening of consumption patterns and tastes and from the generally high propensity to consume in urban areas. Industrial and commercial enterprises have benefited also from various economies of localization, such as the availability of public utility services, marketing, organizational and distributive channels and services as well as skilled labour and technicians. Even though these facilities are strained a great deal in many of the Asian cities, private industrial and commercial enterprises still tend to be pulled to these cities, for it is only there that such facilities have been available, with the result that cities of great size exert a dominating influence on the economies.

The city besides being an efficient locale for non-agricultural production has been found to increase efficiency in the accumulation of

capital and skills as well as in the dissemination of improved techniques and innovations. Urbanization has probably been instrumental also in bringing about radical changes in economic motivation of peoples formerly embedded in the rigid socio-economic structures as in the stagnant Asian village communities. Attitudes towards work and leisure, money and money making, the bearing and rearing of children, the employer-employee relationship, occupational change and mobility, and innovations in consumption goods and services are bound to be strongly influenced by the growth of urbanism. These attitudes should greatly contribute to the encouragement of a modernistic rational outlook useful for the absorption and dissemination of the industrial ethos and favourable to material progress.

On the debit side, especially in the context of its uncontrolled pattern in Asia, urbanization has imposed rather burdensome costs on the community as a whole - costs which are largely escaped by the private entrepreneur but who, on the other hand, reaps the maximum economies afforded by the urban environment. As has been mentioned earlier, urban growth, if pushed too far, may give rise to serious diseconomies and disabilities to industry and to the community in general. In Asia these diseconomies have already appeared in the big metropolitan centres, with traffic and transport congestion, power-famine and power cuts, breakdowns in sewage disposal and water supply, and overcrowding and slums, etc.

The comparatively excessive volume of migration into urban area has given rise to the serious problem of urban unemployment,[1] which from a political point of view at least has been more disturbing than rural under- and unemployment. Partial and under-employment has also appeared in the urban areas, as is evidenced by the growth of marginal self-employment such as small-scale retailing, peddling, domestic service and cart-pulling and pedicab operating.[2] In view of the comparatively higher participation of females in the labour force of rural areas, and the scope for some kind of marginal

/employment in

1/ In India, for insiance, the magnitude of urban unemployment has been estimated at 8 to 10 per cent of the employable population, that is roughly 2.5 million persons. (India: Draft Second Five-Year Plan, 1956, p.41)

2/ See A.F. Raper, et al op.cit., p.5: In Taiwan, "Altogether this marginal self-employment includes about one-fifth of the males from 15 to 50 years of age in the 17 areas studied."

employment in agriculture, it may be questioned whether migration to overcrowded urban areas has contributed to any better utilization of the labour force.[1] A case can perhaps be made out for the movement of the non-productive city populations, especially in the regions not earmarked for further economic development, to the sparsely populated, rural areas in the interior.[2]

Again, from the point of view of labour supply to urban industry, the essential rural focus of the urban migrant in several countries of Asia has resulted in a rather high turnover of labour force in urban industries. Such high turnover is also partly due to the intolerable living conditions in the big cities.[3] Worker incentives and morale are also affected by the comparatively heavy dependency burden in urban areas.

Urbanization has also been observed to have some unfavourable implications with regard to the consumption pattern, and propensities to consume, save and import of urban populations. These include a probable

/encouragement of

1/ This question is to some extent hypothetical. The choice is between overcrowded urban areas and overcrowded rural countryside.

2/ In mainland China, it has been stated that non-productive population in the big cities has increased to the point of disrupting agricultural production and construction work in rural areas, and adding to difficulties of planned supply of food grains to cities, of maintenance of order in cities and of providing social relief. As a result, several million persons have been mobilized from such cities as Shanghai, Tientsin and Shenyang (Mukden), for return to rural areas. (Kuang Ming Jih Pao, Peking, 29 December 1955).

3/ The big cities of South East Asia have been aptly described by one Asian sociologist as "huge mausoleums....of smoke, dirt and squalor, of overcrowding, of cooly lines and human warehouses. Long hours, low wages, bad housing, woman and child labour, infant mortality, accidents, high rents, poor sanitation, prostitution, gambling, racing, dope dealing, dance halls, cabarets and night clubs were features of all the cities...Cities are dysgenic." (Kewal Motwani in International Social Science Bulletin, Winter 1951, Vol.III, No.4, p.751)

encouragement of the consumption of semi-luxuries often at the expense of necessary goods and services, of consumption generally in view especially of the operation of the "demonstration" effect as against saving, and of imports as against domestic substitutes. The burdensome implications of urbanization for capital formation, namely the heavy investment required in urban social overheads especially housing, may be noted again in this context.

Last but not the least of the adverse effects of the generally unplanned process of urbanization in Asian countries has been the unhealthy concentration of economic, technical, administrative and sometimes cultural activity in the urban areas to the neglect of development of rural areas. This has resulted in a severely unbalanced pattern of economic and other developments and serious disparities in living standards. The gap between rural and urban areas has continuously widened. In view especially of the semi-feudal, colonial and administrative origins of the cities of Asia, urban areas have probably played more of a "parasitic" than a "generative" role vis-à-vis the countryside.[1/] Even the limited extent of industrialization of some Asian countries has only perpetuated and even magnified the disparities by favouring the older urban centres at the expense of the rest of the country.

It is not intended that this essay should end on a pessimistic note. As stated earlier in this section, urbanization has many potent and enduring economic advantages. Several of the unfavourable implications noted above are attributable to the generally unplanned and unbalanced pattern of urbanization that has taken place for various historical reasons in the Asian countries. These latter implications have been stressed here, as several governments of the region are now in the process of taking remedial action.[2/] The recent movements toward accelerated economic and industrial development on a planned basis have already

/started

1/ See Bert F. Hoselitz: . "Generative and parasitic cities", Economic Development and Cultural Change, Vol.III, No.3, April 1955 and Kewal Motwani, op.cit.

2/ As mentioned earlier India expects a relative decline in its rate of urbanization in the near future (Draft Second Five-Year Plan, p.41). In China (mainland) large-scale transfers of population are taking place from relatively over-populated urban regions to the rural interior.

started altering the past pattern of uncontrolled urbanization. It may be reasonable to expect that, in view of the several positive measures to raise the degree of economic development of rural areas as well as to rationalize the process of growth of big cities, there might be a decline in the rate of urbanization in several countries of Asia; there would still be, of course, under this hypothesis, a continuing redistribution of population between the urban areas, as well as between urban and rural areas, but it would be inspired more by economic than other reasons. However, in the long run, as stated in the report of a recent discussion between economists and sociologists from developed and under-developed countries on the problem of urbanization and economic growth, "The growth of population in urban and industrial centres appears to be inevitable if there is economic development, whether by industrialization, by the development of mining, or by the commercialization and improvement of agriculture. If governments desire economic development, they must be prepared to face the consequences and to attempt to mitigate the effects of the concentration of people in restricted built-up areas".1/

1/ International Institute of Differing Civilisations, Record of the XVIIth Meeting Held in Florence (Brussels 1952).

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL

GENERAL

UNESCO/SS/CONF.URB/3
E/CN.11/URB/3
22 June 1956

ORIGINAL : ENGLISH

UNITED NATIONS EDUCATIONAL,
SCIENTIFIC AND CULTURAL ORGANIZATION

JOINT UN/UNESCO SEMINAR ON URBANIZATION IN THE ECAFE REGION

Jointly sponsored by the United Nations Educational, Scientific and Cultural Organization, the United Nations Bureau of Social Affairs and the Secretariat of the United Nations Economic Commission for Asia and the Far East, in co-operation with the International Labour Office

8-18 August 1956
Bangkok, Thailand

ECONOMIC DEVELOPMENT POLICIES IN RELATION TO TYPES, SCALE AND LOCATION OF INDUSTRIES AS A FACTOR LIKELY TO INFLUENCE URBANIZATION TRENDS IN ECAFE COUNTRIES

Prepared by the ECAFE Secretariat

Contents

		Page
I.	Type, scale and location of industries in ECAFE countries	2
II.	Economic development policies as a factor affecting urbanization	10

I. Type, scale and location of industries in ECAFE countries

1. The influence of governments over location of industries, their types or their scale of operation had in ECAFE countries, by and large, been only indirect, till almost the beginning of the post-war years, except probably in Japan, where in the latter half of the 19th century the government for a brief period started model industries to show the way.[1/] Developmental expenditure in regard to transport, communications, electric power or other public utilities essential for industrial development, as also fiscal, monetary, trade and other measures, had influenced the pattern of industrial development. But the exact location or the type of industry to be established, or the scale of output, had been decided primarily by individual persons or firms. Governments had generally been content not to interfere with the free play of market forces in the development of national economy. Competition had generally been considered to be beneficial, helping to produce a more efficient allocation of resources and a more healthy production alignment.

2. The resulting industrial development had, however, been somewhat unbalanced in the context of the prevalent resources situation in some countries. Industries in some cases had been modeled on the western pattern using labour-saving machinery and making difficult a fuller utilization of the abundantly available manpower. Advanced techniques and equipment had reduced costs but the loss of employment in traditional industries in villages and towns without alternative opportunities had been considerable. The growth of factory industries in cities had generally not evoked the right responses in traditional industries - responses leading to rationalization, use of better techniques,

/improved

1/ Since the early post-war years governments in Asia, especially of many newly independent countries, have pursued a deliberate policy of industrialization which in many cases is being implemented by means of direct government participation, and have thereby brought their influence to bear more positively on trends of urbanization.

improved equipment, organization, standardization, training etc. - and so had resulted in the steady decline of the competitive power of traditional industries. Those engaged in small industries had preferred to accept diminishing incomes to total deprivation.[1/]

3. Competition had been severe and the factory products had set the standard for prices and patterns. In countries where industrialization has not progressed and is still relatively meagre, the traditional industries have been engaged in a straight competition with imported cheap factory products. The rigid setting of small industries has prevented necessary adjustments to the changes in demand. While the large industries in the urban areas have extended their scale of operations and have enlarged their markets, traditional industries in small towns and rural areas have held their markets only where craftsmanship has carried a premium or where costs of transport or other locational advantages have discouraged the entry of competing products. Much of the industry in villages or towns has continued to be staghant using antiquated techniques turning out unstandardized products. Producers are unorganized with hardly any common facilities for procurement of raw materials or production. Distribution is generally controlled by middlemen who also provide finance at exorbitant rates in many cases. The gap between the city and the villages has tended to widen the growing gulf in applied technology. New industries have gravitated to the already developed areas around a few big cities, producing a lack of balance in regional distribution.

4. If urban growth, described as the best general test of industrialization, is studied in the Asian countries it is only in Japan that the economic character based upon industrial specialization and exchange is observed to be relatively more prominent. The reason for this appears to be that some of of the basic foundations for industrial development have not been confined to large cities but have also been effectively built up on a limited

/scale in a

1/ The silk industry developed in mainland China in rural areas by agriculturists as a secondary source of income was affected by competition from local machine reeled and imported (Japanese) goods. Better organized traditional industries in towns in many cases also suffered. For example, out of 33 handloom weaving industrial centres in India, the earnings of handweavers decreased between 1928 and 1941 by 34-38 per cent in four centres, by 40-48 per cent in four centres, by 50-66 per cent in 12 centres, by 61-70 per cent in six centres and by 71-91 per cent in the remaining seven centres, while the reduction in numbers did not exceed one-third in the worst depression years. (Report of the Fact-Finding Committee (Handloom and Mills) 1942, pp. 199-200).

scale in a number of towns of moderate size. However, the cost of industrialization has been cheapened by avoiding excessive urbanization with its heavy overhead provision of urban housing, transport, water supply and other services, by developing industries which relatively require less capital and which do not heavily draw on public utility services, and by applying a labour-intensive technology which keeps the available manpower fully employed. In Japan, the urban areas (with a population of over ten thousand people) have developed industrial and commercial activity so successfully that they have absorbed almost the entire population increase since 1900. The drift of population from rural to urban areas of different sizes, however, has not been uniform; the bigger cities have grown more rapidly.

5. In Japan, while labour moved to the urban areas technology, organization, capital and entrepreneurship were carried to the rural sector of the economy. The traditional industries in the countryside reacted to the growing factory competition by developing economies through large-scale organization for marketing arrangements, cheap credit and electric power. Small industries with lower overhead costs possessed greater flexibility and were able to change their lines of production with greater resilience especially during the depression years. A natural demarcation of spheres of production has developed with the large units concentrating on a few major lines and specializing in the production of semi-processed standardized material which is worked into a variety of finished goods by small units. The attention given to non-price features such as sales promotion through better designs, the importance placed on attractive packaging, standardization of product and low prices have helped the small industries to develop their markets. Decentralized operations and issuing out jobs by factory industries to smaller units have also helped integrated and and complementary development among industries of various sizes and types. Economic activity i cities, towns and villages has been developed without major conflicts.

/6. Distribution

6. Distribution of industry has been uneven in the other major countries of the region, where industrialization has made some progress. Industry in Mainland China has grown especially in north-east and coastal provinces, the latter alone accounting for two-thirds of the value of industrial output in 1952. Roughly four-fifths of pig iron, steel and related products, generators and cotton spinning and weaving machinery were manufactured in the coastal provinces mainly by the few leading industrial cities of Shanghai, Canton, Wuhan, Tsingtao, Anshan and Tientsin. It is estimated that among these cities Shanghai alone supplied approximately one quarter of the nation's industrial output: over two-fifths of the spindles in mainland China were located in this city, cotton being transported not only from the proximate northern Kiangsu but also from distant areas such as Honan, Shantung and Hopei, where the textile industry could have been easily developed. The development of the Shihchiachuang coke factory in Hopei province where there was neither a coal nor an iron and steel industry necessitated transport of crude coal, washed coal and coke as between the Shihchiachuang coke factory and Peking three times.[1/] North-west China and South-west China and Inner Mongolia which form nearly 70 per cent of the country's area turn out only 8 per cent of the total value of industrial production.

7. The absence of a good road and railway network led to the initial establishment of large-scale industries in India in port towns with harbour facilities. The policy of railways as they spread their operations with their discriminating freight rates favoured port towns encouraging the congestion of industries in a few areas to the detriment of others. There has been dispersion of some of the older large-scale industries like cotton textiles which have developed in new industrial centres, as also some development of new towns like Jamshedpur, but this limited expansion has been more than offset by rapid development of new industries in the older industrial cities.

8. Generally, industry has settled down wherever it has been profitable even though conflicts with the interests of social welfare have developed. There has been no planned location of industries in specially earmarked areas. Development of industry in many cases has meant expansion of existing plants in

/nearby cites.

1/ "The question of geographic distribution of industrial enterprises under the first Five-Year Plan", Kuang Ming Jih Pao, September 23, 1955.

nearby sites. New industries have been drawn to the already developed centres where labour supplies are readily available. This explains the trend of rapid growth of the leading industrial cities compared to the relatively stationary or minor growth experienced by non-industrial urban areas.

9. Some of the cities in Asia have become so congested that they show the highest urban density in the world. This has been so even though living space has been much less than in advanced industrial cities elsewhere where at least apartment buildings with many floors relieve the pressure to some extent.[1] The incredibly poor housing conditions have led to the growth of a large street dwelling population in many cities. The housing schemes in the various cities in Burma, Ceylon, India, British Terroritories, and Pakistan have been essentially to meet the needs of middle classes. The powerty of the people has made it difficult to invest in houses as recovery of capital is well-nigh impossible.

10. Besides the causes contributing to the growth of urban areas such as natural increase, lack of economic opportunities in rural areas, village pressure, and advantages of urban life like better living and educational facilities, the large influx of refugees in many urban areas during the post-war years especially in China: Taiwan, Hong Kong, India, Indonesia, Pakistan and South Korea has aggravated the problem.[2] This abnormal growth has led to the growth of a number of small enterprises which may be described as marginal self-employment. Many make-shift shops, street peddling, small service and manufacturing industries etc. have grown. In China: Taiwan it is estimated that this type of employment covers roughly 20 per cent of the men between the ages of 15 and 50 years in the 17 urban areas in which a survey has been made.[3] In Djakarta, roughly 85 per cent of the annual population increase is accounted for by internal migration in 1951-53 of which labourers in industry and transport formed the biggest group. A sample survey places them at 44 per cent of the working population even though their former occupations were not in the same lines to such a large extent.[4]

/This feature

1/ For some data on urban housing conditions in India see Kingsley Davis, The population of India and Pakistan, (Princeton University Press, Princeton, New Jersey, 1951), p. 146.

2/ For details see United Nations, "Economic causes of implications of urbanization in the recent experience of countries in Asia and the Far East" (Paper contributed to UN/UNESCO Seminar on Urbanization held in Bangkok, August 1956.)

3/ Arthur F. Raper, Han-Sheng Chuan Shao-hsing Chen, Urban and industrial Taiwan-crowded and resourceful, published by Foreign Operations Administration Mutual Security Mission to China and National Taiwan University, p.5.

4/ University of Indonesia, Institute of Economic and Social Research, "The Urbanization of Djakarta", Economics and Finance in Indonesia, Vol. VIII, No. 11 (November 1955), p. 207.

This feature even in a non-industrial city such as Djakarta is only more pronounced in some other industrial urban areas elsewhere. Increase in population has not been absorbed by large-scale industries to a significant extent. In India, for example, employment in factories mainly in urban areas rose from 2.36 million in 1948 to only 2.53 million in 1953 or a 7 per cent increase while industrial production has recorded a rise from 108.4 to 135.2 (1946 = 100). The growing urban population has attempted to carve out fresh avenues of employment. The point has come where the advantages gained by aggregation of industry in big towns and cities due to the availability of power, transport, banking and other facilities is fast receding with the emergence of slums, incidence of ill-health, strain on public utilities and other increasing social costs. Added to this is the challenging problem of urban unemployment becoming increasingly difficult.

11. Growth on the urban fringe with a sprawl to the outlying areas is no solution as concentration of industry is not reduced greatly and the demand on public services is not diminished. While efforts must be made to improve the conditions in the cities by providing increased amenities, and public services to the growing number of small entrepreneurs (as for example by offering common facilities in large buildings with several rooms, in each of which a small industrial unit could be housed as in Rotterdam, or as is proposed in Hong Kong, or help in equipment, technology, financing and marketing), it is also necessary to call a halt to the growth of some of these cities beyond a limit. Industrial zoning, slum clearance or other town planning measures, while useful to regulate the growth of new industrial areas, cannot be very effective in solving the problems of many of the urban industrial areas which have already developed in a chaotic fashion.

12. Historically speaking, light consumer industries have tended to congregate in big cities, where consumer purchasing power is concentrated. Heavy industries, however, are generally located near raw material and power sources or sometimes at break of bulk points; this usually meant the creation of new specialized towns at the site of such sources, e.g., mining and steel towns, cement towns, automobile towns, etc. In course of time, these towns come to attract ancillary and complementary industries, thus increasing the size of the

original townships several fold. This pattern is also emerging in India and China where the implementation of national development programmes with emphasis on heavy industry has accelerated the growth of new industrial centres located in previously undeveloped regions containing mineral, power and raw material sources.

13. Thus, in India for example, the fertilizer factory in Sindri is located in the Damodar Valley area of the rich Bihar-Bengal mineral region. Sindri has also drawn to itself a cement as well as a coke oven plant based on the by-products from the fertilizer factory. Again, the location of an automobile assembling and manufacturing plant in Uttarpara in West Bengal has greatly expanded the old town. The little town of Mithapur has grown considerably after the location of a new soda ash plant. The three proposed steel plants in India - one at Rourkela in Orissa, a second at Bhillai in Madhya Pradesh and a third at Durgapur in West Bengal - are expected to add greatly to the growth of population in the proposed sites. Furthermore, the prospective swarming of ancillary and complementary industries will certainly lead to the creation of an entirely new set of towns around the steel sites. In the case of light industry also, there has been some shift from big coastal cities to the interior, where the availability of raw materials, power, fuel and transport facilities have influenced to a great extent the establishment of industries and new townships. Ahmedabad, Nagpur, Sholapur and Cawnpore are all interior centres in cotton belt regions, endowed with fuel and transport facilities besides the availability of cheap labour and a regional consumer market.

14. In mainland China, the recent accelerated pace of industrial and transport development has given rise to the construction or extension of a number of industrial towns, especially in the interior. The shift to raw material sources in the interior has been especially marked in the case of heavy industries. Even in the case of light industry a deliberate attempt is being made to shift them to sources of raw material and market centres in the interior of the country. In Malaya, the Lever Bros. Factory for the manufacture of oil, soap and oil extracts is located at the outskirts of Kuala Lumpur where raw materials are almost at the doorstep and wood for packing cases is available in the nearby forest. The Associated Portland Cement Factory in Rawang is situated 17 miles from Kuala Lumpur in an area rich in limestone and proximate to abundant sources

/of electric power,

of electric power, coal, fuel and shale. The Cebu Portland Cement Factory in Tinan, Cebu, Philippines, situated in an area with large deposits of required raw materials, has been responsible for a spectacular growth of population in the area. The Maria Chistina hydro-electric project, in Iligan, Philippines, has drawn to itself a number of subsidary industries, a fertilizer plant, a sulphuric acid unit and a steel mill. Population in the surrounding area has steadily increased. In Pakistan, the area within which the Jauharabad sugar mills are located has considerably increased in population. Health needs, coupled with other factors, necessitated the establishment of a DDT plant at Nowshera. The selected site at Nowshera is the place where the Pakistan Industrial Development Corporation built a caustic soda plant and a cardboard factory. The three factories are closely knit in matters of supply of chlorine needed in the production of DDT powder and steam for operation to be provided by the cardboard factory. The factories are within the vicinity of large deposits of soapstone needed for the manufacture of DDT powder, very close to railway lines and sources of power and water supply. The Gal Oya Development Project in Ceylon which is situated in a cleared jungle area has generated new industries like a sugar mill, bricks and tiles factory. The project area is expected to absorb excess population from congested areas in Ceylon.

15. When such industrial units are set up in small communities, over a period of years the size - as also the character - of the community is altered. A new set of technicians are either imported from outside or trained up locally; depending on the scale of industry, some immigration of labour may be found necessary; a new set of managerial and supervisory staff add to the plurality of society. In other words, a village becomes urbanized in the process.

II. Economic development policies as a factor affecting urbanization

16. An appraisal of the current economic development policies in the ECAFE region shows that even though there is sufficient recognition of the dangers of the growth of giant cities no serious direct steps as such have been taken to arrest this development except for some legislation of varying effectiveness dealing with town planning and new construction activities. In India, however, the hapharzard application of modern techniques in some spheres of production causing technological unemployment has been checked. The problem is being met by limiting the growth of existing or new large-scale industries, mostly located in urban areas, by setting up common production programmes, by levy of a cess on factory production, and by provision of organizational and marketing assistance to traditional industries. There has also been a freezing of existing techniques and consolidation of labour-intensive devices particularly in industries developed by private initiative such as oil-seed crushing, rice milling and food processing in rural areas. These measures, which are aimed at the modern techniques wherever they adversely affect employment, have limited the increase in unemployment or under-employment in existing occupations.

17. A study of the investment pattern in the public sector in the ECAFE countries shows how the priority tostrengthen the production base calls for large investments in basic overheads and in heavy industries[1/] leaving little for investment in a wide range of light industries, which have to be developed on a decentralized basis. In mainland China, the proportion of government investment for above-norm projects[2/] in industries is as high as 88.8 per cent, necessary for manufacture of capital equipment under the first Five-Year Plan (1953-57); the draft frame for the second Five-Year Plan of India also plans rapid development of heavy industry by proposing 78.6 per cent of public investment in industry for development in

/this line.

1/ See Economic Survey of Asia and the Far East,1955, p. 27 and also Economic Survey of Asia and the Far East,1954, p.51.

2/ In mainland China, the State has set an investment norm for every category of capital construction. Any project calling for an investment above the limit set is referred to as an above-norm project, and that calling for an investment less than the limit is referred to as a below-norm project. In industry, the investment limits set for capital construction projects vary by fields from Yuan 3 to 10 million.

in this line. Beginnings have been made in other countries in establishing heavy industry, notably in Indonesia and Pakistan. The consumer goods factory industries developed by governments have not been significant in terms of employment or as a percentage of national income and have been mainly in countries where there is no indigenous entrepreneur class willing to invest in industry as for example, in Burma, Ceylon and Thailand. Development planned by governments in the industrial sector generally will not generate sufficient employment opportunities, as much of it is investment in heavy industry that absorbs comparatively little manpower. The scope for increased employment in the modernized industrial sector, private or public, is not high.

18. The increased demand for consumer goods that is induced by investment in irrigation, power, transport, construction, industrial and other projects under the various development programmes has to be necessarily met by using relatively labour-intensive methods of production. The immediate sacrifice in the present level of consumption are likely to be made up with increased production that will gradually grow with the wider availability of more power, transport, better tools and equipment. The success of some of these plans will initiate industrial development in many new industrial centres and spread industry more evenly. Reliance on labour-intensive techniques will also to some extent achieve the objective of increasing employment opportunities over a wide area. It is possible that industry may be increasingly decentralized and grow where large supplies of manpower are available rather than moved to concentrated industrial areas for labour.

/19. The weight

19. The weight of employment considerations in the region is revealed by the current plans for industrial development. In Afghanistan, a recent project to establish a textile mill on modern lines containing the latest machinery and capable of producing roughly 45 per cent of the country's clothing requirements has been revised mainly to develop the spinning section, as otherwise, had this capacity been utilized to the full, the result would have been a substantial decline in the volume of employment in the handloom weaving industry. Creation of employment opportunities especially in rural areas and small towns by offer of loans to modernize industries with a view to reduce dependence on imports is attempted in Burma on an increasing scale. There has been a shift from the active promotion of factory industries to almost exclusive concentration on experimentation and discovery of decentralized small industries in Ceylon.

20. The building of small-scale and rural industries to meet the increased demand for consumer goods is pursued vigorously in mainland China. Government help by means of tax concessions and credit is offered by State banks by setting apart specific sums for loans to handicraft producers' co-operatives on favourable interest terms. Development by co-operatives is advocated by the Constitution as essential to small industries. Membership in small industries run on co-operatives lines, which was over 1.1 million by the end of 1953, is expected to reach 5 million by 1957. Production is undertaken on the basis of definite orders placed by consumers' co-operative societies. Integration of production and sales, emphasis on standardization and quality, and cutting out distribution costs have helped some accumulation of capital which is as far as possible reinvested back in the industry. Efforts are being made to improve techniques and equipment. Semi-mechanization and mechanization are continuously pursued so long as they do not reduce employment. The policy of serving local needs with the help of local raw materials will help industrial growth on a decentralized basis.

21. Development of large industry for its supporting and supplementary character to small industry; the setting up of central production plants serving as common facilities and stimulating small industries for essential

/needs,

needs, i.e., clothing, housing, simple tools etc. in Indonesia; the attempts in Pakistan to rehabilitate skilled artisans; and support to industries using local raw materials producing utility articles and providing employment in the Philippines etc. illustrate this trend and suggest gradual diversification of industry and decentralized growth.

22. Provision of widespread employment opportunities and decentralized industrial growth have been initiated in India, where the rate of development expenditure on small industries under the first Five-Year Plan records a substantial rise in recent years.[1/] The allocation under the second Five-Year Plan for village and small-scale industries is Rs 2,000 million or a little less than 4 per cent of the total outlay of Rs 48,000 million in the public sector as compared with Rs 314 million or roughly one per cent of the total outlay under the first Five-Year Plan. Of this, besides the greater support to handloom weaving, Khadi and village industries of Rs 1,149 million in 1956-61 as compared to Rs 238 million in 1951-56, a special provision of Rs 550 million has been made for the development of small-scale industries for the second plan period, which is more than a tenfold increase over the figure for the earlier five years. The Village and Small-Scale Industries Committee has recommended increased expenditure in some cases to take care of needs for working capital which amount to another Rs 100 million for small-scale industries. A whole time employment for 160,000 workers is expected to arise out of this investment in small-scale industries or a per capita investment of Rs 4,062, which is no less capital intensive than in some of the large-scale industries. It is important to note that development of such industries may run counter to the general policy unless it be that these highly capitalized units have a catalytic effect on the rest of the economy.

23. It should be noted that the term "small industries" covers a wide variety of industries ranging from traditional cottage and village handicrafts such as hand spinning and weaving, pottery, blacksmithy and oil pressing etc. to modernized, power-driven and specialized small-scale industries such as manufacture of textile accessories and parts of machine tools. Among these, distinction has generally been made between industries

/which form

1/ For details see Report of the Village and Small-Scale Industries (Second Five-Year Plan) Committee, Government of India.

which form an integral part of the traditional village economy and industries which have tended, for various reasons, to locate themselves in urban areas. The latter group of industries can itself be divided, for convenience, into three groups: one, traditional handicrafts producing highly artistic and luxury type of goods such as embroidery, gold and silver ware etc. the demand for which is generally in large urban centres or comes from abroad; two, the residentiary consumer industries such as bakeries, flour mills and refreshments; and three, those industries which are comparatively recent and intimately tied to large-scale industries, and which may hence be expected to increase automatically along with large-scale industries.

24. The locational pattern of the last group of industries generally follows that of the large-scale industries. Some of these small industries are ancillary to large-scale industries in the sense that they supply small component parts required by large-scale manufacturers, such as automobile, textile and electrical accessories and parts of machine tools. There is again another type of small-scale industry which is also ancillary in character to large-scale industries. These are the various engineering workshops, repair and servicing units located in the vicinity of large industries. Even those small-scale industries which are competitive with, rather than complementary to, large-scale industries may be tied to large-scale units in urban centres for the supply of essential semi-processed raw materials or may be joint users with them of common facilities available in such urban areas.

25. To make small-scale industry independent of such locational pulls to large cities, attempts arebeing made, as for instance in India, to constitute what are called industrial estates, where an integrated set of common facilities necessary for small-scale industries is being created. Many of these are proposed to be established in existing and small-size towns. In a few cases, the establishment of these industrial estates has involved the creation of entirely new townships (Nilokheri, Faridabad, Phulia and Gandhi Dham, etc.). Even these townships, however, have been generally situated not far from the big cities; in fact, they are generally found on the arterial highways leading to such cities.

/26. The move

26. The move to develop a decentralized economy also gathers strength from the point of view of rational distribution of industry to utilize natural and human resources effectively, helping to save and reduce outlay for the transport system needed to move raw materials and finished products as also to create employment opportunities widely. The lack of a regional balance observed in mainland China is to be remedied in course of time. The "Report on the First Five-Year Plan for the Development of the National Economy" presented by Li Fu-Chun, Vice-Premier of the State Council and Chairman of the State Planning Commission at the second session of the First National People's Congress in 1955, states that efforts must be made to "gradually rectify the irrational situation left behind from old China. The industrial productive forces must be appropriately distributed in all regions in the country, so that industry may be near producing centres of raw materials or fuel and marketing areas. The distribution of industrial enterprises must also satisfy conditions for the consolidation of national defence. The economic levels of backward regions must be gradually raised. This is one of the important tasks of the planned development of our national economy."[1/] To achieve this objective it is planned to strengthen the existing industries so that the equipment needed by new industrial areas can be manufactured relatively quickly. The Anshan Iron and Steel Works are to be expanded, as also the coal-mining industry in Fushun, the machine-building industry located in Mukden and many other manufacturing enterprises in the leading industrial cities. With the support of the already developed areas it is planned to step up industrial development in north, north-west and central China. An iron and steel industry is to be built at Paotow and Wuhan, to help setting up industrial bases in the inland provinces for the development of many new industries. Among the 694 "above-norm" industrial construction projects planned under the first Five-Year Plan, 472 projects are spread out in interior areas, this being the first step to secure better regional distribution of industry.

/At the end

1/ First Five-Year Plan (1953-57) for the Development of National Economy of the People's Republic of China, published by the People's Printing Press, Peking, 1955, pp.31-32.

At the end of the first plan period it is estimated that in the interior provinces the value of output in the machine-building industry will rise from about one-fifth to over two-thirds of national production and new textile and chemical industry centres would have also been established.

27. The importance of developing backward regions has been recognized in the first Five-Year Plan in India as shown by location of some of the important developmental projects in relatively undeveloped areas. Equitable regional distribution has been used as a criterion in the construction of electricity plants. This approach to the problem has, however, met with severe criticism as it has been made out that in practice there is a loss in national income as the region which can use additional power is starved while excess capacity characterizes some other areas. The effects of such anomalous distribution of power have been worked out in detail with reference to the impact on industry in Bombay.[1/] It should be assured that there is absorption capacity to use power before building new electricity plants. From the point of view of national income it will be useful to locate new plants where there is response. The assumption that supply creates its own demand will not be true unless the region is also favourably endowed with other factors such as raw materials, transport facilities, labour and entrepreneurship to organize production. While it is important to develop backward regions and transfer resources from the developed to the less developed areas it is necessary to ensure that exclusive concentration on under-developed areas should be avoided as the neglect of the developed areas would limit the surplus that can be invested elsewhere in the country.

28. In contrast with the strong agglomeration forces in industry observed in the large cities in the ECAFE countries industry, in the last few decades, is increasingly becoming independent of factors and location considered important till recently. The newer trends, however, are not sufficiently powerful to transfer existing installations but as regards the establishment of newer units other factors are entering the picture.

/29. This

1/ "Economics of Electricity Planning with special reference to the electricity cut in Bombay", by C.N. Vakil and P.R. Brahmananda, School of Economics and Sociology, University of Bombay.

29. This reflects the same pattern observed in some of the countries outside the region. For example, in the United States a definite trend of dispersal of industry is indicated to smaller cities and towns. Following new markets and new sources of labour industries have developed in new areas. New plants established in communities of less than 10,000 increased from 21 per cent in 1940 to 29 per cent in 1948. Cities of 10,000 to 100,000 have increased their percentage share from 32 per cent to 36 per cent while cities with a population of over 100,000 have recorded a decline from 47 to 34 per cent in the same period. In the large metropolitan areas the industries move away from congested areas but do not leave the general area.[1/] In England the Royal Commission on the Distribution of Industrial Population has favoured dispersal of industry, which has been laid down as official policy in the Distribution of Industry Act 1945. The growth of Agro-towns in the USSR is an effort to foster decentralized industrial growth.

30. Among the factors helping development on these lines the most important one is the expansion and extension of the electric power grids providing supplies of electricity outside the large cities and industrial areas. The plans for new generating capacity in the ECAFE countries expect to produce roughly additional 10 million kW to the already existing 21 million kW.[2/] Electric supply to small towns and villages is on the increase. The second Five-Year Plan in India, for example, envisages increased supply of electricity for small towns with a population in the range of 5,000 to 20,000, which link the surrounding rural areas; of the 4,000 such small towns, more than 80 to 90 per cent will be electrified at the end of second Five-Year Plan period as compared to 40 per cent at present. Electrification of more than half a million villages in the country is not considered feasible. However, with the establishment of various grid systems power will be available to the villages lying in the areas covered by the new installations. Consumption of electricity in rural areas will increase with favourable tariff rates, which at present are higher than in urban centres. The development of power resources is rapidly growing in other countries of the region, though in

/select areas.

1/ Robert H. Russell, "Industrial development of rural areas", in Proceedings of the Annual National Planning Conference held in Cleveland, Ohio, by the American Society of Planning Officials, 1949.

2/ See Economic Survey of Asia and the Far East, 1955, p. 23.

select areas. The development of highways, especially extension of present road networks, improvement in rail transport and inland waterways increasing speed of communications, and development of rural banking services as in India with the nationalization of the Imperial Bank of India, which held roughly 25 per cent of the deposits in the commercial banking system, to provide credit in about 400 towns serving rural areas, encourage decentralization of industry.

31. Decentralization will help to provide widespread employment opportunities by developing industries where manpower is abundant and thereby raise incomes in rural areas. There will be more even distribution of industry and proximity of industry to bases of raw materials and marketing areas will help to eliminate superfluous transport. Decentralization of industry, however, has to be concentrated on those industries where there is room for choice. It is obvious that extractive industry is governed by geological conditions and heavy industries must be located close to raw materials to achieve large-scale economies. The location of heavy industry may in turn promote the growth of a variety of ancillary industries in the neighbourhood. With increased distribution of power and better transport facilities, however, a large number of light industries, particularly consumer goods industries, can be influenced to spread out. Production on a decentralized basis should generally contribute to savings in costs and it must be ensured that, as far as possible, the economy effected in overheads should not be outweighed by increase in prime costs per unit of the same output.

32. Building up a decentralized industrial society does not necessarily mean acceptance of an inferior technology. It may, however, be necessary to modify or regulate the pace of application of modern techniques in those spheres where their uncontrolled adoption may cause more harm than good. Efforts must be made to improve techniques and equipment without, however, disrupting the existing widespread system of traditional industries by which the bulk of people dependent on industry live.

33. In course of time it is possible to visualize production spread out on an area basis with the implementation of some of the current economic development policies in the region. The processing of agricultural products

/and raw materials

and raw materials and all that may be self-supplied among the farmers' daily necessities is likely to be increasingly undertaken in the rural areas. Industry is likely to be progressively organized on a decentralized basis subject to the obvious exceptions mentioned earlier which are governed by physical factors. "In the process of change towards a better technique and larger and more diversified demand a stage would no doubt be reached when even for the pursuit of village-based industry some specialization in production and centralized common services would become necessary. This process of building upwards from the village base would naturally centre round small towns. Many of our older townships are located by reference to important geographical and economic features. These in most cases would continue to be important in any further improvement of economic organization. To be able to build round existing small centres of urban life would reduce not only the direct economic cost of industrialization but the indirect social and administrative costs. Experience in other countries shows that the effort of building up new industrial townships is wasteful, unless a special physical advantage exists in the new location or a specific social objective makes the effort necessary."[1/]

1/ Report of the Village and Small-Scale Industries (Second Five-Year Plan) Committee, Government of India, p. 21.

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL

E

GENERAL

UNESCO/SS/CONF.URB/4
E/CN.11/URB/4
28 June 1956

ORIGINAL : ENGLISH

UNITED NATIONS EDUCATIONAL,
SCIENTIFIC AND CULTURAL ORGANIZATION

JOINT UN/UNESCO SEMINAR ON URBANIZATION IN THE ECAFE REGION

Jointly sponsored by the United Nations Educational, Scientific and Cultural Organization, the United Nations Bureau of Social Affairs and the Secretariat of the United Nations Economic Commission for Asia and the Far East, in co-operation with the International Labour Office

8-18 August 1956
Bangkok, Thailand

HUMAN AND SOCIAL ASPECTS OF URBANIZATION: CHANGES IN TRADITIONAL ARTS AND CRAFTS AND FORMS OF CULTURAL ENJOYMENT

Prepared by the Department of Cultural Activities, UNESCO

Cities are seldom planned from the start. They are gradual growths. This growth is partly "natural", that is, it is the expansion of a group of living beings who are themselves growing, reproducing, and producing and whose labours yield cumulative results. But the growth of cities is not merely this internal expansiveness of living beings; it is also a process of accretion. People with diverse village backgrounds and habits are urbanized; they are literally made-over, reconstructed. The kind of problems which our studies have attempted to deal with are the problems arising from this latter process - the urbanization of villagers, the transformation of their occupations, homes, habits, interests, ideas and arts. This process is not growth in the biological sense, but reorientation in the cultural sense. The problems involve disruptions of social relations, dislocation of interests and standards, multiplication of opportunities and new social contacts. An individual or a family in becoming urbanized and industrialized is a recreated being. Gradually, and often painfully, new ways of life, new culture patterns are

/ established

established. The resources for happiness of an urban community are certainly greater in variety and in inherent appeal than are those of impoverished villages, but the problems connected with the rational use of these resources so that they in fact create the happiness of its citizens are enormously complicated. And the complications are not only economic and administrative, they are also psychologic New habits must be formed, new skills acquired. The minds and morals of the citizens must be adjusted to the new environment and to its opportunities for the enrichment of freedom. In short, such urbanization involves a cultural crisis and revolution. There is no general formula for describing such crises and revolutions; they create problems which are local and intensely personal. Hence, the need for studying a variety of local transformation among urbanized villagers.

Culture is, strictly speaking, a quality of life, but this quality is institutionalised both in its origins and in its expressions. Folkways are continually molded by established folk-arts; moral standards are practical norms when they have the support of customary or legal sanctions; attitudes of praise and blame are transformed by various social agencies into organized supports for publicly recognized values and goals. It is therefore impossible theoretically to separate cultural problems from social problems and it is obviously necessary for UNESCO in its programme to approach such problems in terms of the functioning of established institutions in community life.

In this sense, any culture is "traditional" - it is something established, enduring, connecting the life of succeeding generations. But when we use the term "traditional culture" in the context of this Conference, we have something more specific in mind. In many countries the chief developments of industrialization are of foreign origin: they are <u>imported</u> into cultures and must be adapted to the traditional ways and institutions of the peoples. Hence, in connection with several projects dealing with South-East Asia, the term "traditional culture" applied in these countries, has proved to be a convenient label for all those aspects of community life, which were well established before the industrial revolution made its impact. To certain readers the use of this term has been misleading, for it has given the impression that the UNESCO studies of the present cultural life of village and urban communities in South-East Asia has been biassed; they believe that it is assumed that the impact of the foreign technologies have been culturally

/ destructive,

destructive, that the traditional arts must be preserved and defended at all costs. Such traditionalist attitudes are not in fact an element in our programme, and no value judgment is involved in our use of the term; we need a convenient descriptive label for the non-industrial habits, arts, and institutions. Though many of these are in fact "endangered" and though most of them are being transformed to a revolutionary extent, there is no implication in our approach that everything that is endangered should be protected or preserved. Our study is an attempt to get a detailed factual picture of the inter-action between old and new elements in contemporary life. This includes, of course, as a very important aspect of the problem, the inter-action of old and new values; for these are not static and their re-creation or reformation is a central feature of the conscious cultural concerns of any generation, notably the present.

There is, however, one aspect of traditional cultures which we have singled out for special consideration and which involves a value judgment. The traditional or "folk" arts and crafts are extremely diversified, reflecting local patterns, individual skills, and stylized tastes. Modern industrial production, especially in its early stages, has a tendency to bring about standardized, mass production, in which these local diversities disappear or are, at least, greatly reduced. It would be absurd to condemn industrial production on this account, but it is not absurd to have a concern for the consequent corruption and disorientation of communities and cultures. Hence a number of our investigators and advisers, who have made studies of villages undergoing industrialization, have called our attention to the importance of dealing constructively with this problem. In what follows there will be illustrations of attempts to make constructive use in industry of folk arts and designs and tastes; also, to use industrial techniques to enhance the traditional arts instead of undermining them. The attempts to preserve and strengthen the diversities of cultural expression is not an attempt coming from UNESCO, it is a very prevalent aim and concern of Asian educators and statesmen. This is not propaganda for any particular folk-art, nor is it an attempt to stop progress in technical production by favouring antiquated skills. It is simply a very general, reasonable interest in fostering social changes which will stimulate local and individual creativity instead of those which frustrate existing

/ skills

skills by imposing arts and ideals not in conformity with existing personality structures and the actual social environment.

OUTLINE OF ACTIVITIES

With this as an introduction to the aims of our projects, we may present our various activities under two general heads:

A. Studies of the diversity of traditional cultures. These are efforts to collect samples from various regions of how the traditional arts, ideas, tastes, values are faring under contemporary conditions: (a) in village communities which are relatively untouched by industrialization; (b) in urban communities where the inter-action between tradition and technology is conspicuous.

B. Experiments in promoting international community and understanding by aiding the travel of students, scholars, artists from one country to another; by translating important works of literature into other languages; by facilitating the international exchange of works of art, science, and humanistic endeavour. These are not experiments in creating a single world-culture: on the contrary, they are experiments in sharing a great variety of cultural goods and interests across great distances of space and time. They are intended to create resources for the enrichment of any culture by introducing into it the achievements of other cultures.

A.

First, an outline of our studies of cultural diversity in local communities. The members of this Conference are aware of the work of the United Nations and ECAFE and other institutions, notably of the national governments, in studying the economic effects of industrialization and in creating "community centres" for industrial communities which, being new, had little opportunity for community life and expression. The first concerns of these programmes for community development were the building and equipping of schools, libraries, theatres, museums, playgrounds. By "first concerns" we mean "first cultural concerns", for even these institutions had had to wait until the "basic" needs of food, shelter, health, security were given a minimum satisfaction. The projects of the Department of Cultural Activities have been designed to supplement these basic concerns by showing

/ concretely

concretely how even these most basic needs are shaped by traditional cultural institutions. In villages this is so obvious that there is not much need for insisting on the inter-relation of economic and cultural factors in community health and development. But in urban communities undergoing industrialization the problem is complex. There is a greater need for learning new trades, professions, philosophies, politics, etc. There is a greater demand for modern libraries, museums, theatres, in general for well-equipped cultural centres, either national or municipal. In these urban cultural centres there are gathered the various attempts to adapt the traditional and the new elements to each other. In the new city of Chandigarh the opportunity offered by international planning for an up-to-date cultural centre for the Indian Punjab has attracted UNESCO's attention, but not much has been accomplished as yet. On the other hand, the Public Library at Delhi, a UNESCO Pilot Project, is a spectacular success and illustrates admirably what can be done in the way of bringing the old and the new together. This modern Public Library serves 70,000 men, women and children a month and in five years has lent well over a million books. Popular features of the Library's programme are its group activities - lectures, discussions, film showings, story hours for children, etc. - and its book-mobile service to the outskirts of Delhi and nearly villages. A recent evaluation brought out the startling fact that 26 per cent of the Library's 20,000 readers did not read at all before joining the Library and 50 per cent have no book whatever at home - clear evidence that this Library fills a real need. The new Municipal Museum and Culture Centre of Ahmedabad is another example of what can be done, and the Director of this Centre, Mr. Prithwi S. Neogy, is engaged (in co-operation with UNESCO) in making a survey of the village cultures in the neighbourhood of Ahmedabad, in order to estimate the practical possibilities of using the Ahmedabad Museum as a centre for the surrounding villages as well. Similar inquiries are going on, as part of the UNESCO programme, in Pakistan, Nepal, Ceylon, Burma and Indonesia.

The most systematic project in connection with the "cultural community centre" aspect of our programme is the organization of a series of Seminars on this subject in several typical University cities. These seminars were planned and carried out by local committees composed of members of the Universities and of leading citizens of the cities in which the meetings took place. The first of the

/ seminars

seminars was held in February 1956 in Jodhpur, Rajasthan, the last will be held during next October and November. The cities which have participated are: Calcutta, Delhi, Jodhpur, Madras and Waltair - India; Dacca, Lahore and Karachi - Pakistan; Rangoon in Burma; Jogjakarta in Indonesia and Kandy (Peradeniya) in Ceylon. Only partial reports are available at the time this is being written, but further information regarding their results will be available at the time of the Bangkok Urbanization Seminar. At these seminars, communications were received on the present problems faced by folk arts, traditional music and dance, traditional religious observances, traditional scholarship, etc.; plans were formulated for the creation or expansion of cultural institutes, for programmes of adult education outside the universities, for community centres for the cultivation of the fine arts and of traditional interests. In making its contribution toward the planning and holding of these seminars, UNESCO is attempting to get substantial information from typical urban communities, regarding the most urgent cultural needs and goals of communities of South-East Asia. How much attention will be given to problems directly related to industrialization and urbanization is still unknown, but it is safe to predict on the basis of preliminary reports that the impacts of modern industry on the traditional home, the status of women, the scope of professional education, the intellectual interests of the people, etc. are being analysed, and that constructive efforts are being made to deal with the local problems created by the inroads of industry on traditional ways of life and thought.

The programme of studies for 1957-58 involves, first of all, a continuation of the planning of cultural centres in South-East Asia not only through continued study of the cultural needs of urban communities, but also through providing aid in the form of fellowships, experts, and cultural materials to communities which request such aid, especially to those cities in which plans for cultural centres were formulated during the 1955-56 University Conferences.

B. International Community and Cultural Centres

These seminars, however, also serve to introduce the second major aspect of our programme in this field - the concern for international cultural relations. The more or less standardized techniques and sciences of modern industry and machinery have obviously promoted an international community of knowledge, skills,

/ technical organizations

technical organizations and an exchange on a world-wide scale of technical news and products. A university is by its very nature a centre for this international community of knowledge, and hence the University Seminars are attempts to make available to urban, industrial communities some of the benefits of international exchange which are to be found in any university worthy of the name. Our concern for the cultural expansion of these international centres of knowledge is not so much for the technological knowledge afforded by world-wide industrial enterprise, but rather for the less technological or so-called "human" values. Our aim is to help in making the diversity of cultures an international asset instead of a liability. By using modern, industrial means, we can make available to almost any culture the great achievements of each. There is a world-wide patrimony of human achievement, which exists as so much cultural capital for mankind; but only a fraction of this capital has been effectively employed so far. The problem of making available to communities throughout the world the benefits of education, art, science, religion, and culture generally, in all their individuality and impressive variety is, first of all, an economic and industrial problem; it poses a task for modern devices of mass communication and international distribution. Without the great inventions which modern industry has put into our hands, the world-wide use of mankind's cultural capital would remain an idle dream. Obstacles still abound - obstacles of language, transportation, understanding, and limitations of information, imagination, and appreciation - but with modern means many of these traditional obstacles can be greatly reduced.

UNESCO is only one of many international agencies which have succeeded in promoting greater exchange of works of art, more translations of important literature, better interpretations of foreign ideas, more tolerant tastes, more informed judgments. But so far there has been only a bare beginning of this programme of world-wide community, when seen from the perspective of its possible development. Once the keeping of the peace becomes less absorbing and expensive, the funds that can be freed for the promotion of this community of man's varied cultures will be of a magnitude to challenge our imagination and our practical programmes. Planning for this future development, making pilot projects and experiments in this field is no longer "idealism" in the romantic sense; it is the very commonest sense. For

/ there is

there is no sense in limiting our industrial resources to the satisfaction of our animal wants, and there is no intelligible way of drawing a line between man's economic needs and his cultural wants. An economy is a cultural instrument; and this elementary fact is now recognized not only by the planners of "welfare states" but by anyone who reflects on the industrial capacity for the enrichment of our traditional arts and cherished values.

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL

GENERAL

UNESCO/SS/CONF.URB/5
E/CN.11/URB/5
3 July 1956

ORIGINAL : ENGLISH

UNITED NATIONS EDUCATIONAL,
SCIENTIFIC AND CULTURAL ORGANIZATION

JOINT UN/UNESCO SEMINAR ON URBANIZATION IN THE ECAFE REGION

Jointly sponsored by the United Nations Educational, Scientific and Cultural Organization, the United Nations Bureau of Social Affairs and the Secretariat of the United Nations Economic Commission for Asia and the Far East, in co-operation with the International Labour Office

8-18 August 1956
Bangkok, Thailand

POLICY PROBLEMS: SOCIAL, EDUCATIONAL AND LABOUR POLICIES

Suggested Points for Discussion put forward by the International Labour Office

MANPOWER POLICY

A. Methods of Combating Under-employment in Rural Areas

1. (a) In what ways is it possible to reduce under-employment in rural areas by a policy of agricultural development?

   (b) For what reasons is it essential to resort at the same time to methods of increasing employment outside agriculture?

2. With reference to the methods envisaged under 1 (b) above, what importance should be attached to the development of the following types of industry:

   (a) Handicrafts;

   (b) Cottage industries (particularly those using rural raw materials);

   (c) Modern industries requiring establishments of a certain size?

/3. How far

3. How far does industrialization require the concentration of establishments and population in a few large urban centres, or how far is it possible to bring industrial employment opportunities to rural areas and to encourage the growth of a larger number of smaller towns serving as local markets and supply centres for neighbouring villages?

B. Methods of Influencing the Drift of Rural Population towards the Towns

4. Do the countries concerned possess official machinery capable of:

(a) Collecting reliable information on the prospects of employment and working conditions in the towns;

(b) Systematically organizing the dissemination of such information among the rural population;

(c) Providing job applicants with vocational advice?

Are existing employment services capable of performing these functions? If not, what action is required to equip them to do so, and also to enable them to alert the competent authorities whenever there is a particularly heavy flow of rural manpower towards the towns?

5. Is any supervision exercized over the activities of middlemen and other agents who make it their business to bring workers to urban centres and undertake to find them jobs? Is such supervision adequate to prevent undesirable practices? What steps are called for in this connection?

6. Do the countries concerned possess employment services in the urban centres which are able to devote special attention to the placement of unskilled job applicants? If so, are these services suitably equipped to place unskilled workers in casual work fairly quickly and on a sufficiently large scale? What resources is it planned to apply in order to create or reinforce such services?

C. Methods of improving the Quality of Industrial Manpoer of Rural Origin

7. In the drive to increase the number of primary schools in rural areas, have arrangements also been made to include in the curricula of these schools pre-vocational preparation and elementary technical training? What are the obstacles in the way of such development and re-orientation (e.g.: lack of suitable equipment, shortage of experienced teaching staff)

8. Have children of rural families moving to the towns access to free and sufficiently numerous facilities, in the system of compulsory schooling, for pre-vocational training that will help them to familiarize themselves with the concepts and practices of technical civilization and life in industry? What action is contemplated to develop such facilities on the necessary scale?

9. What efforts are contemplated with a view to giving young people destined to take up employment in industry access to ample free vocational training facilities, such as will:

(a) Supply industry as it develops with the various categories of trained manpower it requires;

(b) Enable future workers, on completion of their training, to find sufficiently well-paid jobs corresponding to their abilities and occupational attainments;

(c) Give the trainees a sufficient grounding to allow them, if they desire, to acquire subsequently the qualifications required for promotion to higher posts in industry?

10. What action is envisaged to cater for the needs of future women workers, having regard to the aims set forth under 9 above?

11. What efforts have been made or are under consideration by governments to provide for or facilitate the establishment of a sufficient number of public centres for accelerated vocational training of adult workers? What steps have been taken or are being planned by the public authorities to encourage employers to set up in their undertakings:

(a) Courses of systematic basic training for all comers, adapted to the needs of rural manpower?

(b) Facilities for other forms of in-plant training, adapted to the requirements of modern industry, with a view to enabling promising unskilled workers to become semi-skilled?

12. What arrangements can be made by the public authorities:

(a) To shield young persons against any exploitation of their work;

(b) To foster the development, for the benefit of young workers, of modern systems of in-service apprenticeship affording all desirable safeguards from the social as well as the technical and educational standpoint?

/13 What will

13. What still remains to be done to bring in social legislation in each country in the region, designed to facilitate the emergence of a stable and efficient labour force, and to establish the practical machinery to ensure the effectual enforcement of such legislation?

14. What contributions can international technical assistance make to the solution of problems indicated above?

D. Problems of Productivity and Employment Policy

15. What scope is there for improved utilization of resources in existing and newly-established industries in the region through the application of modern methods of management?

16. How can improved productivity be made to contribute to capital formation and to the expansion of employment opportunities?

17. What measures should be taken with a view to enlisting the interest and support of both management and labour in efforts to raise productivity, and to helping them to find a common basis for mutually advantageous action?

18. What educational and consultative services need to be provided as part of a nation-wide effort to raise productivity?

19. What institutional arrangements is it desirable to make, such as the establishment of national "productivity centres", with government support, to serve as focal points for the organization and execution of productivity programmes? How can representatives of employers and workers be associated with the work of such institutions?

20. What contribution can international technical assistance projects make to the solution of problems indicated above?